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SPORT Murder in the squash court
OXFORD'S CHANCES ON THE TIDEWAY p.15

NEWS SUMMARY

GENERAL

Chinese rebuff Moscow thaw plan

China yesterday rebuffed the Soviet Union's latest attempts to improve the relationship between the two states.

The Chinese Foreign Ministry said China had noted remarks made by Leonid Brezhnev, Soviet President, in Tashkent on Wednesday, but rejected his attacks on China.

The statement made it clear that China finds it difficult to accommodate Moscow's peace proposals while the two countries differ over a range of international issues. Back Page

Poles jailed

Civil courts have sentenced 275 to jail for illegal trade union and opposition activity in Poland. Another 50 cases are pending. Farmers allowed to own more land, Page 2

Canada ceremony

The Queen will visit Canada from April 15 to 18 to hand over the new constitution, severing the country's last legal ties with Britain.

M6 death crash

The driver of an articulated lorry carrying sheep was killed in a crash on the M6. More than 50 animals died.

Water protest

About 200 residents from Llandovery, mid-Wales, handed back bills to the water authority, demanding charges to be cut to the level of those in England.

Peace march

A Danish peace campaigner said Soviet authorities had given permission for about 250 people to stage a peace march in the USSR this summer.

Tree plan

China is to plant 21bn trees this year as part of a 4,400 mile defence against Siberian winds.

Lip 'restored'

Surgeons in Northern Ireland stitched back a teenage girl's upper lip after her pet dog bit it off.

Rubik challenge

The first Rubik cube world championship will be held in Budapest on June 5.

'£5' video trap

Flying Squad detectives seized forged £5 notes with a face value of more than £2m after video-recording a gang's activities in London. Five of the gang were jailed for a total of 29 years.

Telegrams cut

The inland telegram service, which began in 1870, is being closed in October. Page 3

Summer time

Summer time starts at 1.00 am tomorrow. Clocks go forward an hour.

Briefly . . .

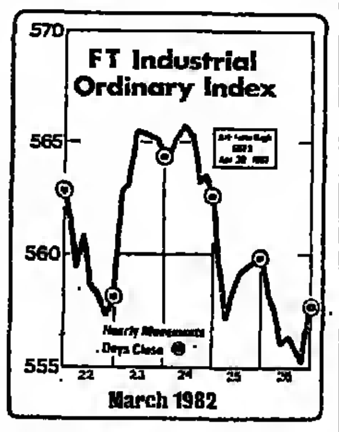
Test tube twin boys—conceived in the UK and born in Canada—were "fit and well."

Home Office celebrates its 200th anniversary. Page 4

BUSINESS

Equities drop 2.2 gilts off 0.22

● EQUITIES: the FT 30-share index closed 2.2 off at 557.7, a loss of 5 points on the week and 9.3 on the Account. Page 24



● GILTS: the Government Securities Index lost 0.22 to 68.91, a three-day fall of 0.86 from Tuesday's 11-month high. Page 24

● WALL STREET was 9.14 down at 818.49 near the close. Page 20

● STERLING lost 85 points on the day to close in London at $1.7905. It slipped to DM 4.285 (DM 4.305), SwFr 3.4225 (SwFr 3.425) and FFr 11.185 (FFr 11.2). It rose to Y442 (Y441). Its trade-weighted index dropped to 90.9 (91.4). Page 23

● DOLLAR rose to close in London at DM 2.3945 (DM 2.3915), SwFr 1.9125 (SwFr 1.903 and Y247 (Y245). Its tradeweighted index rose from 115.2 to 115.7. Page 23

● GOLD fell $4 in London to close at $323. In New York the Comex March close was $322.1 ($326.4). Page 23

● BELGIUM and Luxembourg agreed to strengthen their monetary union, resolving a rift over last month's devaluation of their common currency. Page 2

● CHLORIDE threatened legal action over BL's decision to award Lucas the sole contract for 500,000 car batteries a year. Meanwhile, Lucas is seeking aid from the UK and French governments for a project with Ducellier of France to increase European sales. Back Page

● BRITISH AIRWAYS will save £130m in the coming financial year as a result of retrenchment. Page 4

● METAL BOX is to close three more factories with the loss of 1,200 jobs. Page 3

● BASF, the West German chemical company, improved pre-tax profits to DM 1.29bn ($540m) last year, from DM 1.27bn. Page 21

● M P KENT, the property development group, has doubled the cash element of its bid for Federated Land to 20p per share. It now values Federated at £16.96m. Page 18

● ROBERT MAXWELL's Pergamon Press has agreed terms for the acquisition of E. J. Arnold and Son, the Leeds publisher, but no price was announced. Page 18

● STOTHERT AND PITT, the engineers, reported reduced taxable losses of £529,000 (£1.05m) for the six months to December 31. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Assd Fisheries	73	+ 5
Automated Secs	205	+ 13
Cambridge Elec	130	+ 6
Capital and Cnties	130	+ 4
Celtic Haven	331	+ 31
Christies Intnl	144	+ 6
Clay (R.)	48	+ 5
Finlan	150	+ 6
Firth (G. M.)	206	+ 6
Inter-City	63	+ 7
Low (Wm)	202	+ 9
Sangers	54	+ 6
Security Centres	161	+ 6
Sotheby PB	355	+ 20
Unitech	238	+ 16
Weir Group	62	+ 6
BP	302	+ 6
Clyde Pet	92	+ 7
Flair Resources	142	+ 20
Shell Transport	378	+ 6

FALLS

BICC	318	− 7
Bemrose	68	− 5
Executex	7	− 3
Glasgow Pavilion	32	− 6
ICI	312	− 8
Monson Finance	63	− 9
Metal Box	160	− 14
Racal Elec	373	− 5
Saga Holidays	150	− 6
Scoteros	90	− 8
Somportex	98	− 10
Sun Alliance	852	− 8
Unigate	92	− 4
Youghal	4	− 2
De Beers Dfd	221	− 5
Durban Deep	559	− 23
RTZ	413	− 5
Vogels	60	− 10

Saudis threaten oil companies on Nigeria

BY RAY DAFTER, ENERGY EDITOR

SAUDI ARABIA is threatening strong sanctions against international oil companies which are cutting shipments from Nigeria, according to reports from within the Organisation of Petroleum Exporting Countries.

The Saudis are said to have warned companies they may be blacklisted by Gulf producers—and possibly Opec—if they do not increase liftings from Nigeria.

Such a move could severely restrict oil supplies to companies like Shell, Mobil and Texaco. Other leading buyers of Nigerian oil include Gulf, Agip and Elf.

The action, if carried out, would be a dramatic attempt by Saudi Arabia and its Gulf allies to protect the Opec pricing structure, based on a reference price of $34 a barrel, agreed by the organisation in Vienna earlier this month.

Nigeria is considered by the oil industry to be the weak link in Opec's fragile agreement. Under the pact Nigeria sells its oil at $35.50 a barrel—some $4 a barrel more than the price of similar oil produced by companies operating in the North Sea.

The pricing difference means Nigeria is having trouble finding buyers. Its output is reported to have fallen from around 1.3m barrels a day earlier this month to some 630,000 b/d at present. There has been speculation in the oil market that Nigeria would soon be forced to reduce its price to prevent a further erosion of its sales.

According to the authoritative publication, Middle East Economic Survey—a newsletter close to leading Saudi oil interests—Saudi Arabia has, or is about to, issue a three-point warning to Nigeria's major customers.

If by Monday the companies did not agree to restore their Nigerian liftings to the level of earlier this month they would face:

● The cancellation of crude oil supply contracts and entitlements by Saudi Arabia. This would affect companies with major Saudi interests—such as Mobil and Texaco who are members of the Arabian American Oil Company (Aramco) and others, like Shell, which are currently building up their commercial ties with the kingdom.

● A ban on supplies of Saudi crude oil to companies which did not have contract arrangements with the kingdom.

● Extending the black-listing to other Gulf states and possibly Opec. According to the newsletter Saudi Arabia has already contacted Kuwait and other Gulf states to gain support for this action.

The Saudi Government is reported to have blocked a deal involving Petromin, the state oil corporation, and Shell. Under this deal, which was just about to receive Government aproval, Shell was to have acted as an intermediary in a supply agreement between Saudi Arabia and a European government.

Opec reports confirmed yesterday that Saudi Arabia might also cut its production rate even further, below the present ceiling of 7m b/d, in a bid to restore the worldwide supply and demand balance.

Middle East Economic Survey

Continued on Back Page

THE NIGERIAN Government has tightened its import squeeze by restricting the validity of permits granted to importers for making foreign exchange payments. These form M permits, normally valid for a year, will now only be valid up to the date of shipment specified by the importer in his application.

Takeover panel censures Australian stockbrokers

BY JOHN MOORE, CITY CORRESPONDENT

THE PANEL on Takeovers and Mergers has said that the London office of a leading firm of Australian stockbrokers is "deserving of serious censure" following the purchase of 925,000 non-voting shares in Associated Communications Corporation.

The Panel reached its conclusions about the London office of Potter Partners after studying how ACC shares had been purchased at the beginning of this month.

Potter Partners and bought the shares on behalf of Mr Robert Holmes à Court, the Australian entrepreneur, who is seeking to take over the troubled entertainments group.

Under the rules of the Takeover code, the purchase of the shares was required to be revealed not later than midday the day after. Moreover, if the bidding company was to buy shares at a higher price than it was offering shareholders, it had to raise its bid immediately.

The purchase was made through TVW Enterprises, an Australian television company and associate company of Mr Holmes à Court's master company, The Bell Group.

The Panel concluded that as Bell and TVW did not announce an immediate higher offer, they were in breach of the Code. They had also committed a breach through selling 50,000 non-voting shares in ACC without seeking the permission of the Panel executive.

These breaches "were not found to be deliberately made, but did reflect a culpable failure to ensure that the requirements of the code were being met."

Neither TVW nor Bell were using financial advisers in London. Had they done so "the Panel have no doubt that the breaches would have been avoided."

The Panel found that "the London office, largely inexperienced in matters relating to transactions in UK securities, certainly where a takeover bid is involved."

A partner in London has accepted that he was unaware of the contents of the Code "and was not sufficiently informed as to his responsibilities and obligations as a licensed dealer in securities."

The Panel held such a failure as "indefensible." If they had had a proper understanding of the situation when they were acting on behalf of TVW, they would "certainly have prevented their principals" from breaching the Takeover code. It has dismissed an appeal by Potter Partners.

Potter Partners, not a member of the London stock exchange, had purchased the shares through London stockbrokers T. C. Coombs. Stockbrokers are obliged under the code to establish whether their client is an associate of the company making the bid.

Extra company car tax planned

BY ROBIN PAULEY

MORE THAN 500,000 people in Britain with company cars face an extra 20 per cent tax on the perk next year—in addition to the 20 per cent rise due from next week.

The taxes apply to people earning more than £8,500 a year and who have company cars for private as well as business use. The way in which free petrol is taxed will also change next year so that anyone in that category supplied with free fuel for private motoring will be liable for tax, no matter how the fuel is provided.

At the moment the Inland Revenue treats free fuel differently, depending on whether it is provided on the company site, paid for by company credit card, charged to a company account or paid for in cash with the company reimbursing the car user later.

The changes were announced by Sir Geoffrey Howe, the Chancellor, in a Commons written answer yesterday and will mean that from April 1983 the user of a 1600 cc Ford Cortina supplied with free petrol will have to pay tax on £425 for the car and on a further £425 for the fuel. The tax bill of a basic rate tax-payer would rise by about £8 a week.

The top payment for a director paying 50 per cent tax on the top slice of his income and driving a luxury car which cost £21,000 or more would be about £22 a week. The tax is expected to provide the Exchequer with about £100m overall in 1983-84.

Sir Geoffrey also announced a major concession to employers. Proposals to make companies responsible for working out how much tax to deduct for car perks have been scrapped. This follows companies' complaints about the extra burden.

The Government also announced yesterday that, as expected

Continued on Back Page
Finance Bill details, Page 5; Lex, Back Page

AMOUNT ADDED TO TAXABLE INCOME (£)

Engine capacity (cc)	For use of car: Car under 4 years old 1983-84 (82-83)	Car over 4 years old 1983-84 (82-83)	For free fuel* 1983-84
1300 or less	325 (270)	225 (180)	325
1300-1800	425 (360)	300 (240)	425
over 1800	650 (540)	450 (360)	650

*currently taxable only under certain circumstances

SDP and Liberals back Jenkins for Alliance leadership

BY PETER RIDDELL, POLITICAL EDITOR

MR ROY JENKINS will receive the unanimous backing of both the Social Democratic Party and Liberal leaderships to become the leader of the Alliance and potential Prime Minister following his success in the Glasgow Hillhead by-election.

There is, however, disagreement within the SDP's Gang of Four about whether he should also be the leader of the SDP.

Meanwhile, Conservative Party leaders were trying to put a brave face on the Hillhead result by claiming that the parties' electoral fortunes were starting to improve.

Mr Jenkins' victory forces the Alliance to sort out its leadership. Mr David Steel, the Liberal leader, has made it clear that he would like this decision to be as soon as possible. Mr Steel, Mrs Shirley Williams, Dr David Owen and Mr Bill Rodgers all agree that Mr Jenkins should lead the Alliance.

There are strong pressures in the SDP to bring forward the election of the party leader (as opposed to the Alliance) to this July, the earliest practicable date, to avoid further speculation.

This was provisionally agreed at a meeting of the party's National Steering Committee earlier this month but deliberately kept secret during the by-election campaign. However, the party's draft constitution says the election will be in November.

The committee will discuss in 10 days whether the constitution, which is due to be considered by a personal ballot of members next month, should include an amendment to permit an earlier election.

There is the further complication that some SDP leaders, notably Dr David Owen, believe that Mr Jenkins should not combine the jobs of leading the Alliance and the SDP. Mrs Williams is also believed to have some doubts on this score. But most of the other Alliance leaders agree that the leadership should not be split.

Dr Owen thinks that if Mr Jenkins held both posts there would be a danger of blurring the identities of the two parties. He wants to keep the parties as separate partners and believes Mr Jenkins wants excessively close ties which might lead to a merger.

Dr Owen is also known to have considered contesting the SDP leadership. In a speech yesterday he developed his view that the SDP should make a special effort to attract Labour voters in order to build up its political base by emphasising its radical policies.

Conservative Party morale appeared surprisingly buoyant yesterday at the start of the two-day Central Council meeting of party activists in Harrogate. This was despite the loss of a seat held by the party for the last 64 years.

Mr Cecil Parkinson, the party chairman, claimed that there had been a steady shift in public opinion since last December towards the Conservatives. The SDP had had to struggle hard to win. The SDP had a much smaller share of the vote and lower swing from the Conservatives at Hillhead than at Crosby last November, he said.

Looking ahead to the Beaconsfield by-election in the summer Mr Parkinson said that, on the Hillhead trends, the Conservatives would definitely hold the seat. He referred to the party's success in beating off a Liberal challenge in two local council by-elections in the area last Thursday.

Mr Denis Healey, the Labour deputy leader, described the result as disappointing and said that the activities of Militant and the far Left had been part of the problem in winning new voters over to Labour.

There were signs yesterday that Right-wing Labour MPs would argue that Labour's failure to deal with Militant had contributed to its continued inability to win by-elections.

Glasgow belongs to a Welshman, Page 3; Conservative Central Council meeting, Page 3; Politics Today, Page 16

£ in New York

	Mar. 26	previous
Spot	$1.7895-7910	$1.8015-8030
1 month	0.19-0.25 pm	0.17-0.22 pm
3 months	0.74-0.79 pm	0.60-0.65 pm
12 months	2.45-2.55 pm	2.20-2.35 pm

Hillhead victor rallies the troops

By Mark Meredith, Scottish Correspondent

A JUBILANT Mr Roy Jenkins yesterday called for further successes by the Social Democratic Liberal Alliance.

Determined not to let the momentum of victory flag after his by-election success, Mr Jenkins urged the two parties to prepare for local, regional and national elections.

Hillhead, he told the Scottish Liberal Party annual conference at St Andrews, had shown "we were not the soft option. We were the real possibility of an alternative government.

"Together we are formidable."

Mr Jenkins had driven to St Andrews from celebrations lasting until nearly breakfast time in Glasgow.

Awaiting him there was a warm welcome—as well as a nudge from Mr David Steel, the Liberal leader, for the Social Democrats to come to grips about who will lead their party.

Mr Jenkins told the conference that the Alliance was not one of opportunism. "We are a partnership of principles because we Liberals and Social Democrats agree with each other, not on every dot and comma, but on all the main issues of politics more spontaneously than the differing wings of either Labour or the Conservatives.

"At a time when everyone else is pulling in an extremist direction whether it be extreme monetarism or Marxism, we can offer a message of something unique, a new deal of sense and hope, and moderation."

He urged the two parties to put behind them any mutual suspicions.

"I believe we are well on the road. If we let it slip now we would not forgive ourselves—and the British public would not forgive us either," he said to a standing ovation by the 500 delegates.

Earlier, Mr Steel repeated his claim that there was now no such thing as a safe Conservative or Labour seat in the country.

He said an Alliance

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For latest Share Index phone 01-246 8026

Duarte and d'Aubuisson run level on eve of poll

By Hugh O'Shaughnessy in San Salvador

THE CHRISTIAN Democratic Party, led by President Jose Napoleon Duarte and the extreme right Arena party headed by Major Roberto d'Aubuisson are running neck-and-neck on the eve of Sunday's elections for a 60-seat constituent assembly in El Salvador, according to estimates by political observers.

The Christian Democrats are expected to achieve a small overall majority in a very low poll tomorrow, but their hopes of continuing in office may well be upset if Major d'Aubuisson's grouping is able to form an alliance with four smaller parties contesting the poll.

San Salvador remained relatively calm yesterday with no electioneering allowed. Soldiers on foot were everywhere and air force helicopters flew low over possible centres of disturbance.

Major d'Aubuisson is expected to do particularly well nearest the capital though his advantage is likely to be whittled away by the strong support for President Duarte's Christian Democrats in the countryside, where peasants have been promised major benefits under the Christian Democratic agrarian reform scheme.

Anatole Kaletsky in Washington adds: Continuing U.S. support for the Government in El Salvador after tomorrow's elections will depend on the new Government's "commitment to basic principles of democratic development and social economic justice," Mr Alexander Haig, the U.S. Secretary of State.

Amid growing concern that the Arena Party may win the election, the State Department has been warning throughout last week that it expects any new political leadership in El Salvador to carry on with the social, economic and human rights reforms begun by President Duarte.

Dacca takeover could prejudice essential aid

By Richard Cowper and Sayed Kamaluddin in Dacca

MARTIAL LAW, imposed in Bangladesh by army chief Lieutenant General Hossain Ershad earlier this week, could create grave short term financial difficulties. The country's economy is already suffering badly from the world recession and a poor rice harvest.

The new martial law administration announced in Dacca yesterday that it had arrested more than two hundred politicians, ministers, high officials and students. But some Western aid officials said that next month's crucial aid donor meeting in Paris, and discussions with the IMF on a desperately needed short-term extended fund facility (EFF) loan could now be postponed.

The country's spendable international reserves are virtually non-existent and imports this year are expected to be four times export earnings. The Government has been calling for an emergency loan from the IMF of between $500m (£278m) and $300m as well as a sizeable increase of between $200m and $800m in annual aid commitments from the West.

Discussions on both these requests were due to be held in the next six weeks. But donors are reluctant to make any commitments until they are convinced that the new regime is both stable and prepared to implement the "correct" economic policies.

EEC BUDGET CONFLICT

West Germans reject French plan

BY JONATHAN CARR IN BONN

WEST GERMANY has made clear to France it does not support any effort to bring in higher European Community farm prices by a majority vote against Britain.

The Germans have also stressed that they do not want to see farm prices rise by more than an average of 9 per cent this year, although France wants a markedly higher figure. This emerged here yesterday following talks on Thursday between Chancellor Helmut Schmidt and the French Prime Minister, M Pierre Mauroy.

The issue is of major importance because Britain is tying its accord on farm price increases to achievement of a long-term deal reducing its annual contribution to the EEC budget.

If other member states could push through a farm price package by a clear majority vote, Britain would lose a major lever on the budget issue. However, Herr Schmidt is understood to feel that this move would intensify confrontation with the British and bring still greater EEC difficulties.

The German side is at pains to stress its understanding for French domestic problems, which have been dramatically emphasised by the huge farmers' demonstration in Paris this week.

Herr Schmidt is also making a major new effort to intensify Franco-German industrial co-operation—above all to further the bilateral project for a new battle tank, on which President Francois Mitterrand has placed great personal emphasis.

However, the Germans are also keen to try to limit EEC farm expenditure—and want to stick to a 9? per cent price increase although German farmers, as well as French, are pressing their claims for more.

Besides putting the French case strongly to Herr Schmidt, M. Mauroy is also understood implicitly to have repeated the threat that France might have to resort to national measures if no satisfactory farm price accord could be reached very soon.

M. Mauroy made clear that France would consider such action only as a last, regrettable resort, but that a "fair" farm price was "indispensable."

Despite these conflicting views, West Germany remains hopeful that the farm price and budget issues can largely be kept aside from the EEC Council meeting in Brussels on Monday and Tuesday.

Herr Schmidt has stressed that in the face of an international "double crisis"—embracing East-West relations and world economic recession—internal EEC disputes should take second place. It is expected in Bonn that the EEC conflicts will, therefore, be largely reserved for the EEC Foreign and Agricultural Council meetings which are due soon.

Jobs package funding refused

The West German Bundesrat, the upper house of parliament, yesterday rejected a rise of 1 per cent in Value Added Tax to 14 per cent from which the Government had planned to finance a key part of its new job creation programme, our Bonn Correspondent writes.

The Social Democrat (SPD)-Liberal Free Democrat (FDP) coalition Government will now have to seek other means of paying for the programme, which envisages State expenditure of DM 12.5bn (£2.9bn) to 1985.

Herr Helmut Schmidt

EEC farmers win backing for rise in prices

BY LARRY KLINGER IN STRASBOURG

THE EUROPEAN Parliament yesterday supported virtually all of the EEC's farmers' demands for big rises to guarantee prices without the imposition of curbs on surplus output.

In another demonstration of its inconsistency over foreign policy, the Parliament voted by 135 to 107 with ten abstentions, for a standard 14 per cent rise in guaranteed prices. At the same time it rejected production quotas and taxes on surplus production, calling for restrictions on agricultural imports.

In the only significant rejections of farm lobby demands, the Parliament stopped short of approving the full 16.3 per cent rise sought by Copa, the umbrella grouping for the EEC's farmers' organisation.

Mr Poul Dalsager, the European Commissioner for Agriculture, said that, while he was hardly surprised by the farm lobby's victory, the decision was nevertheless irresponsible.

He said that the Parliament had not only contradicted its previous calls for redressing the balance in EEC policy but had rejected many Commission proposals which had taken account of earlier Parliamentary decisions.

He made clear, however, that yesterday's decision would make no difference to the Commission's proposals on farm prices, which call for a standard 9 per cent rise for most major commodities and for production quotas for some surplus products, which, if exceeded, would trigger punitive taxes.

Indeed, Parliament's decision is neither legally binding on the Commission nor the EEC member states. However, it can provide psychological ammunition for the member countries which will be seeking high farm-price rises at next week's negotiations by the Ten's Agriculture Ministers.

Mr Dalsager estimated that a 14 per cent increase would cost the EEC about £745m more than the Commission's proposals, a figure that commodity analysts say could be a serious under-estimate, if world prices were to fall.

Consumer lobbyists say that the Parliament's proposals would produce big rises in shop prices. In Britain, for example, there would be 12p on a pound of butter, 10p on a pound of cheese, 4p on a kilo of sugar, and 1p on a loaf of bread.

Virtually the only political grouping to oppose the measures was the European Democratic Group, which is dominated by the British Conservatives, and a loose alliance of northern European socialists, including members of the British Labour Party.

Their frustration became pronounced, as amendment after amendment failed, provoking a shout at one point from the Labour benches of "This isn't a logical vote—it's just a matter of Copa getting its interests through."

Yet, even in these political groupings, the Parliament's farm price "schizophrenia" was evident. For example, Sir Henry Plumb, British MEP, and leader of the European Democratic Group, voted for a 14 per cent rise.

Belgium and Luxembourg agree framework

BY GILES MERRITT IN BRUSSELS

THE BELGIAN and Luxembourg governments yesterday agreed a new framework of thrice yearly ministerial meetings and continuing negotiations at official level aimed at defusing the Grand Duchy's anxiety over the future of the monetary link between the two countries.

The agreement follows the conclusion of special talks between Mr Wilfried Martens, Belgium's Prime Minister and his Luxembourg counterpart, M Pierre Werner, which were triggered by Luxembourg's discontent over the unilateral Belgium 8.5 per cent devaluation of the joint currency on February 21.

The Grand Duchy, in what appeared to be a move designed to emphasise Luxembourg's determination to use its economic bargaining power against Belgium to maximum effect, has simultaneously played one of its highest EEC cards.

It informed the European Commission that it is contemplating an 8.5 per cent devaluation of its green currency, the artificial farm exchange rate, as a consequence of last month's franc devaluation.

It seems improbable that Luxembourg will carry this throug this threat because it would yield price rises for its farmers of close to 20 per cent if EEC Farm Ministers raised common prices by 10-11 per cent.

Polish farmers allowed to own more land

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S Parliament yesterday passed a series of laws designed to strengthen the right to own land. These should help to allay fears among the country's farmers over the security of their property.

The laws also simplify land trading and aim to halt the flow of land from agriculture to industry

Mr Jerzy Wojtecki, the Agriculture Minister, in a speech to parliament, made no mention of compulsory grain deliveries to the state. This should improve the mood among farmers, who use 75 per cent of farming land.

From now, farmers will be able to own up to 100 hectares, but the chronic shortage of machinery means that a rush to enlarge holdings is unlikely.

Reuter adds: Civil courts have sentenced 275 people to jail for illegal trade union and opposition activity since martial law was imposed in Poland in December, according to figures published today.

Justice Minister Mr Sylwester Zawadzki said in the Communist Party Daily Trybuna Ludn that 50 similar cases were still pending under summary procedures in the civil courts.

The Justice Ministry said the 275 convictions did not include what was believed to be a similar number sentenced by military courts.

The Government has also announced that local authorities have been empowered to expropriate apartments belonging to Poles who have applied for asylum abroad or are refusing to return home because of martial law.

Alan Friedman adds: Dresdner Bank, the West German bank coordinating the rescheduling of Poland's 1981 debt, said yesterday it was optimistic that nearly all of the 1981 interest payments to Western banks had been made.

Yesterday was the latest deadline for Poland to repay its 1981 interest in order to clear the way for the signing of the rescheduling agreement in early April.

Dresdner said last night: "There are still small amounts outstanding, but we are confident that we will have accounted for it all by Monday and Tuesday."

Bankers in London noted yesterday that because of procedural difficulties it would be premature to say that all the interest payments had already been made. If all goes well the final accounting should be complete early next week and a signing ceremony could then take place the following week.

AT and T to fight anti-trust law change

By David Lascelles in New York

AMERICAN Telephone and Telegraph (AT and T) has vowed to mobilise its entire 1m workforce and 3m shareholders to fight legislation proposed in the House of Representatives which would alter the terms of its recent historic anti-trust settlement with the Government.

The giant utility, which itself described the move as "unprecedented," said the legislation was "ill-timed and ill-conceived" and was being stampeded through by a well-financed propaganda campaign to break up the Bell system still further — strong words for the normally placid telephone company.

The legislation, which passed the House Telecommunications Sub-committee 15-0, aims to dismember AT and T beyond the terms of the settlement reached with the Justice Department last January.

While the settlement basically required AT and T to pull out of the local telephone business in return for new freedom to move into unregulated businesses like data processing, the Bill would force it to set up a separate subsidiary to handle long distance business.

Weinberger plea

U.S. Defence Secretary Casper Weinberger yesterday told Mr Soichiro Ito, the Japanese Defence Minister, that the U.S. was pleased with Japan's plans to increase military spending by 7.75 per cent this year

S. African deficit

South Africa recorded a R3.95bn (£2.11bn) deficit in 1981 on the current account of the balance of payments, according to the latest Reserve Bank bulletin, D. F. Jones reports from Johannesburg.

West Bank mayors

THE HEAD of Israel's new civil administration on the West Bank, Professor Menachem Milson, said yesterday that Israel would eventually appoint local Arabs to take over the posts of the sacked mayors of Nablus, Ramallah and El Bireh, now being administered by Israelis, writes David Rogers in Tel Aviv.

Spanish arrests

SPANISH police have detained 1,260 suspected terrorists and siezed more than 600 firearms and half a tonne of explosives from them since the beginning of last year, the unified anti-terrorist command said today, Reuter reports from Madrid.

Suzuki target

MR ZENKO Suzuki, the Japanese Prime Minister, indicated yesterday that his Government will try to finalise a new package for opening its markets wider to foreign products by May, when the Organisation for Economic Co-operation and Development (OECD) meets in Paris, AP reports from Tokyo.

Belgian strike

THE one-day general strike launched yesterday by Belgium's FGTB Socialist trade union against the centre-right coalition Government's economic austerity policies passed off comparatively peacefully, Giles Merritt writes from Brussels.

Reagan to cut off funds for East-West body

BY DAVID BUCHAN

PRESIDENT Ronald Reagan has decided to cut off all U.S. Government funds next year for the International Institute for Applied Systems Analysis (Iiasa), on the grounds that the Soviet Union, the other major partner in the East-West computer research organisation has "abused," and drawn unfair benefit from the institute.

Mr Reagan has also concluded that official U.S. support for Iiasa would be incompatible with current U.S. sanctions against the Soviet Union.

Iiasa, set up in 1972 at the height of the detente era, has now been caught in the new political crossfire between East and West. Some 100 scientists at the 17-nation institute in Vienna use computers to tackle long-range problems like food and energy scarcity. Soviet scientists get no classified U.S. secrets this way, but Iiasa's hook-up to computer networks in the U.S. provides them with valuable access to the latest in computer methodology.

President Reagan

The Reagan decision is a heavy blow to the Vienna-based institute, which currently gets $2.2m (£1.2m) a year from the U.S. The Soviet Union pays an equal amount, and the other half of the Iiasa annual budget comes from smaller contribution by the institute's 15 other member countries which include Britain.

It is possible that the U.S. National Academy of Sciences, which is the direct American representative body on the Iiasa board, may yet stay in the Vienna organisation. So far its Iiasa subscription has come fully out of the U.S. Treasury, but efforts are now under way to replace this with private U.S. money.

If these efforts fail and the U.S. pulls out altogether, Iiasa faces a dilemma: either the Soviet Union withdraws too, leaving the institute with only half a budget, or the Soviet Union stays on in a politically awkward position of predominance.

News of the Reagan move came in two letters sent this week. The first is from the U.S. President to Chancellor Bruno Kreisky of Austria, Iiasa's host country. Its content is confidential. But it is believed to be very similar to a second letter, from Dr George Keyworth, the White House scientific adviser, to Dr Frank Press, head of the National Academy of Sciences in the U.S.

Dr Keyworth complained of "Soviet abuse" of the institute and "lack of reciprocity" in the benefits of its work. These references are believed to be to an incident last year in which Iiasa's Soviet secretary suddenly resigned amid allegation that he had been acting as a spy "control" in Austria, and to the Reagan Administration's belief that the institute is just a one-way conduit for valuable computer know-how from the West to the Soviet Union and other Warsaw Pact members of Iiasa.

Dr Keyworth went on to say that "it was particularly inappropriate to continue our involvement in Iiasa in light of other actions we have taken to show our displeasure about martial law in Poland and Soviet complicity in oppression of the Polish people."

The NAS is angry, in general, at the new political constraints the Reagan Administration is trying to place on the U.S. scientific community's international contacts, and in particular at Dr Keyworth's suggestion that the NAS "submit its notice of withdrawal to Iiasa at an early date."

On the heels of financial success

Private enterprise is creeping into the State system in Eastern Europe. Lesle Colitt talks to a cobbler whose Leipzig business is thriving. Soles cost £1.80, heels 50p and he works a 12-hour day.

"A REMNANT of capitalism," that's how Herr Erich Reichelt, a private cobbler in Karl Liebknecht Strassa, one of Leipzig's main shopping and residential streets, describes himself.

The years since World War II have taken their toll of the private shops which once lined this boulevard in East Germany's second largest city. State-owned Konsum and Handels Organisation stores have replaced many of the private retailers, while the faded names of former private owners still stand over white-washed shop windows which have remained blank for years.

Now, after years of refusing to allow private businesses to carry on, the Government has reversed its stance and is issuing licences for private owners to set up shop. The reason is that the brigades of State plumbers, electricians and TV repairmen are unable to cope with the huge demand for their services while State bakeries and cake shops are seldom able to produce the crisp rolls and delicate cakes East Germans love.

The staistics show what happened to the small private producer and shopkeeper in East Germany. In 1950 43.2 per cent of all sales were made by private industry, a figure which had plummeted to 5.6 per cent by 1970 and to 3 per cent in 1980. At the end of 1980, however, there were still 83,000 private businesses left, employing 246,280 people and with sales of 9.6bn East German marks (£2.23bn).

Herr Reichelt is permitted to keep his store open "for the public only four hours a week, but that is more than enough. Within this short time hundreds of customers bring in their shoes for repair. He spends an average 12-hour day mneding shoes and works at weekends as well.

"It's a sheer volume business at the prices I'm allowed to charge," he explained. The prices were last fixed in 1936 and are still frozen by the East German Government—2 East German marks (50 pence) for heels and 8 East marks (£1.80) for soles.

Herr Reichelt is only taxed at a flat rate of 900 East German marks a year, however, plus another 1,400 East German marks, which he pays in illness and accident insurance. The rent is low, as it is everywhere in East Germany, at 95 East German marks a month for the shop, as well as a flat which he and his wife and two children share.

Almost any skilled East German cobbler now working for a State co-operative could quickly get a licence from the authorities to open a private shop, said Herr Reichelt. "But who wants to work the kind of hours I do?" His oldest son wants to study engineering while the youngest son, who was to have taken over the shop, would rather get a job in industry "where the hours are regular."

How much does he make a year? "We do all right," was his reply. Last summer they had their first trip abroad, to Czechoslovakia.

Herr Reichelt said that when his brother, who lives in West Germany, visited him in Leipzig his seven-year-old nephew pointed to his uncle's tiny East German Trabant car and exclaimed: "No, I'm not getting into that crate."

"That hurt," he said, "because we had to wait eight years to get delivery of the car and paid cash. We both lost the war but when you hear things like that you realise how differently East and West have developed."

A few doors down the street is Ernst Bethke's plumbing store. A good-natured man in his 50s, Herr Bethke employs two assistants and an apprentice. "Let's just say I never dreamed I would make the kind of money I'm earning now," he said. The State-issued price list for plumbing repairs and installation work is far higher than for coblers. Plumbing is somehow not considered as vital a service as repairing the nation's shoes.

Herr Bethke said it was untrue that private plumbers, electricians and TV repair men frequently demanded West German D-marks from customers for their services.

"Often customers will mention that they are able to pay in D-Marks and I imagine that such currency does change hands especially if it's weekend work and the customer is affluent." Herr Bethke said and added that ordinary customers will even bring flowers when seeking an appointment with him during the four hours a week he has "consulting hours."

Herr Bethke owns two cars. One of them is a year-old Italian Fiat which he recently bought by paying 30 per cent more than the price when it was new. He also owns a comfortable summer *dacha* and is able to take one month's holiday every year at Hungary's Lake Balaton.

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UK NEWS

Now dear old Glasgow belongs to a Welshman

Mark Meredith follows the Hillhead victory trail of jubilant Roy Jenkins, MP

GLASGOW yesterday belonged to a Welshman.

Jubilation on Friday morning was dampened only slightly by fatigue at the Pond Hotel, Great Western Road, headquarters of Mr Roy Jenkins and his Alliance entourage during the Hillhead by-election campaign.

Mr Jenkins, on his own admission, had not found three weeks of 9 am Press conferences easy. But, the exhilaration of a victory in a traditionally Conservative seat and the Alliance's first electoral win in Scotland, fired the inner reserves of the former Labour Cabinet Minister and chief Eurocrat.

The smile hardly left his face from the Thursday night victory celebration for party workers at a disco and back to the Pond for more personal congratulations with the inner core of election staff. Reminiscences lasted until nearly breakfast.

He then faced a circus-like Press conference followed by a tour of his new constituency—now to be a Social Democrat island in Glasgow's sea of Labour seats—to thank supporters for their votes.

The smiling pilot was asked by reporters about the Social Democratic aircraft, which Mr Jenkins said had taken off at Warrington.

"I said at the time we were safely in the air, our seat belts were unfastened, and there was even some suggestion that refreshments were being handed around. There was generally a relaxed atmosphere."

Reviewing the flight plan the declared candidate said the aircraft had proceeded very satisfactorily on its course although there had been just a bit of turbulence in the first weeks of the year.

"This was not internal turbulence," he said reassuringly but, as always with any serious political party, a phenomenal showing in opinion polls in December was not repeated in January and February.

"So what you will now see is a very strong revival of the standing of the Social Democratic Party and the Alliance. I think we stand a very good chance of winning a very substantial victory in regional and local elections."

The Jenkins team then drove to St Andrews in Fife, about three hours away, for a champion's welcome at the Scottish Liberal Party's annual conference.

Seldom had the conference been a big event on the Scottish political calendar before this and impatience among the delegates as they waded through a motion on law and order was evident.

The conference was put more in the mood passing a resolution calling on Mrs Thatcher to resign and call an election.

Mr David Steel, party leader, had stirred Alliance ardour with a warning to the major parties that there was no such thing as a safe seat for Labour or the Conservatives anywhere in the country.

Heroic, Mr Jenkins appeared in front of the banked seats in the town hall auditorium. The audience gave him a standing ovation. The smile on his face reached a new expanse on the open-ended scale of contentment.

Possibly refreshed by a doze in the car, Mr Jenkins delivered a rousing speech on the readiness of the Alliance to wage electoral battle.

Whatever niggled the Liberals about the speed of the Social Democratic handwagon was forgotten. Even the wrangling about who would run for the Port Glasgow seat has been put aside with the decision of Mr Dickson Mabon, former Labour MP, to step aside for the Liberals.

Mr Jenkins then went to two birthday parties celebrating the first anniversary of the Social Democrats, one of them in Edinburgh and the other in Paisley.

Powell hits at high interest rates

By Margaret Van Hattem

THE GOVERNMENT'S success in funding its borrowing without increasing the money supply has been achieved at the cost of "grossly excessive" interest rates, Mr Enoch Powell, Unionist MP for South Down, said yesterday.

Speaking in Manchester, Mr Powell praised Sir Geoffrey Howe, the Chancellor, for steering Britain away from "the precipice edge of inflation" and for keeping "out of the clutches of the banks" in financing the borrowing requirement.

He predicted inflation would drop sharply in a year or 18 months. But this would be achieved at the cost of interest rates which threatened to become ruinous.

"The prime argument for continuing to reduce the public borrowing requirement will no longer be the imminent peril of plunging back into inflation." "It will be the argument for lowering the rate of interest," he said.

"The Government will be fully justified in continuing to reduce its borrowing until the point is reached at which the spectre of inflationary finance need no longer be held at bay by fixing interest rates at artificial levels."

Mr Leon Brittan, Chief Secretary to the Treasury, yesterday pointed out that interest rates had already fallen and pronounced the "doom and gloom mongers" effectively routed.

Inflation and unemployment had also fallen—a triple success for the Government's policies.

However, he cautioned against higher expectations, saying it had taken years of economic mismanagement to generate the present problems and would take effort and patience to set them right.

School leavers might be better equipped to prepare their pupils for working life if they were required to spend two years in industry or commerce before beginning their training Dr Rhodes Boyson, Junior Education Minister, said.

Speaking in Cumbria, Dr Boyson called for a reappraisal of teacher training with a view to greater specialisation. "The all round teacher may no longer be the ideal for a specialist age," he said.

He questioned what comprehensive schools had achieved socially as well as educationally.

Finding out if it pays to decide Nationwide

By John Moore, City Correspondent

"YOU MUST get hold of the meeting Mr Chairman. It is running all over the show." The call came, not during a local Labour Party meeting considering how to deal with militant tendency, but during the annual general meeting of Nationwide, the country's third largest building society.

Sir Herbert Ashworth, Nationwide's chairman, and his executive team were under fire from coffee time to tea time in a packed meeting at the Europa hotel.

Nationwide's investors tackled Sir Herbert and his team on subjects from directors' expenditure to the thorny question of whether there was a privileged staircase for use by management only to yesterday's gathering.

Amendments rained down on resolutions and resolutions seemed at times to be raining down on amendments. Leading the general attack on the board's peace of mind was Mr Christopher Punt, a Barnstaple lawyer.

He had put down 19 special resolutions for the meeting to consider, and two other ordinary resolutions, with another resolution proposed in his support by a Nationwide investor.

"It will take us six hours to get through this meeting," warned Sir Herbert, contemplating the formidable agenda.

Mr Punt, who failed to get elected to Nationwide's board in recent elections, attempted, inter alia to remove Touche Ross as Nationwide's auditors. He claimed they had failed to give him details of certain amounts spent on staff entertainment.

Touche Ross reminded the meeting that it had neither the right nor the duty to disclose information under building societies legislation.

One Nationwide investor recalled at the meeting how she had sought further particulars of a trip in America by society executives. She questioned the benefits to the society. Another sternly told the meeting: "If directors of the society go to America with their wives who have supported them, aren't they entitled to have a little perk like that?"

Mr Punt eventually withdrew his resolution calling for the departure of Touche Ross. Other resolutions he had framed included rule changes—which would have led to changes in the way the society's executive was elected—and greater disclosure, involving distribution of the society's rules and minutes.

The meeting was adjourned for an hour at lunch. In the afternoon a post-prandial torpor seemed to settle. Mr Punt's resolutions failed and the meeting ended, to the visible relief of Nationwide's board.

Metal Box to close three plants and cut 1,200 jobs

BY MARK WEBSTER

METAL BOX, Europe's biggest packaging company, yesterday said it was closing three more factories with the loss of 1,200 jobs.

The company blamed low demand and said the improvement it had expected in UK trading when it made its interim statement last November had not materialised.

It is closing a food can plant at Leicester, a beverage can factory at Westhoughton, near Bolton, and a factory producing central heating radiators at Monmouth.

Last month Metal Box shut a factory in Southwark, South London, and cut the workforce at Aintree and at Clapton, East London.

Metal Box said the latest closures would not affect their other Leicester-based canning factory nor the two remaining plants at Westhoughton.

The cuts in the workforce will bring total UK employees down to less than 25,000 compared with about 33,000 two years ago.

But the company said the latest measures, when added to the cuts made over the past two years, would provide a "solid basis for recovery" when the market improved.

Metal Box said it had no plans for other factory closures or redundancies at this stage although much depended on the UK level of demand.

The cost of the latest closures when added to cuts already completed will be more than the £21m specified in the 1980-1981 annual accounts and will be included as extraordinary items in the accounts for the year ending March 31, 1982.

Last November, Metal Box forecast higher profits for the six months ending next week. But yesterday it said pre-tax profits for the second half of the year are not now expected to be significantly different from the first six months.

Courtaulds to shut two more mills

BY NICK GARNETT, NORTHERN CORRESPONDENT

COURTAULDS is shutting two more textile mills. Both were heavily re-equipped seven years ago to cater for volume demand of carded cotton yarn, but this has dwindled.

The closures of Majestic Mill, Oldham, and Victor Mill, Stalybridge, Manchester, will mean 285 jobs lost.

Courtaulds, the biggest British textiles group in terms of total textile manufacturing and processing, has seen its UK workforce shrink by 23,000 in the past two years to 61,000.

The two mills belong to the group's Northern Spinning Company. It has 29 mills in and around Greater Manchester and employs 5,300.

Courtaulds modernised both mills to attack the volume market and drew them away from speciality yarn production. However, the volume market for supplies to knitters and weavers has virtually disappeared.

The group said yesterday that this has been caused largely by the closure of some of its major customers and the impact of imports.

Burmah Oil appoints new finance director

By Duncan Campbell-Smith

BURMAH OIL has appointed Mr Mike Dowdy as group finance director with effect from June 1. He replaces Mr Lawrence Urquhart, whose appointment as chief executive of Burmah's Castrol subsidiary was announced last year.

Mr Dowdy, 47, is a chartered accountant by training. His management career has embraced positions with Courtaulds, Brooke Bond Liebig and Dalgety. He is at present group finance director of Sime Darby.

Burmah's critics drew attention to the impending vacancy in the group's financial department during its abortive bid battle for the shares of Croda International. Mr Campbell Anderson, Burmah's managing director, said the group had now found someone "with the considerable international experience which will be appropriate for Burmah."

Referring to the 14.99 per cent of Croda's shares still held by Burmah, Mr Anderson restated the group's position that it would "hold on to the stock and study Croda's performance with interest".

Mr Anderson said Burmah's basic strategy of seeking expansion in the speciality chemicals sector had not been changed by the failure of the Burmah bid. "A number of alternative deals are under examination and we are looking at opportunities both in the UK and overseas."

● Wong Sulong in Kuala Lumpur adds: Mr Dowdy's departure from Sime Darby means the group will retain only one British director and for the first time in its long history will have no British director based at the group's head office in Malaysia. Mr Jim Scott, the British joint chief executive, has been based in London since last month to look after Sime's troubled Western division.

Whitelaw applauded over law and order

BY PETER RIDDELL, POLITICAL EDITOR

MR WILLIAM WHITELAW, Home Secretary, yesterday won a standing ovation from Tory activists for his approach to law and order issues. This follows his success earlier this week in defusing much of the controversy among Conservatives on the issue.

Speaking at the opening of the two-day Conservative Central Council meeting of party representatives in Harrogate, Mr Whitelaw stressed the list of the Government's actions in dealing with crime. He emphasised his concern with crime victims, with increasing resources available to the police, and with changes in sentencing policy.

He stressed the "strain" of the last week, and said he was grateful for the support given in the debate in the face of some of the criticism he had received. His tough rhetoric was warmly received by the audience of 250 to 300 middle-aged, middle-class people.

The tone of the law and order debate was less strident than the highly charged discussion at last October's Conservative Party conference in Blackpool. Then, Mr Whitelaw was criticised and was known to be very angry with the lack of public support from the Prime Minister.

During yesterday's debate, most speakers, including two chairmen of police authorities, supported the Government's record and recent initiatives.

Tory leaders are now cautiously confident that Mr Whitelaw's efforts over the last week have removed much of the steam, at least for the time being, from an issue which threatened to get out of control.

Mr Whitelaw was supported for his announcements on Thursday in parliament about widening existing disqualifications from jury service and extending police powers.

He also went out of his way to criticise the record of Mr Roy Jenkins when he was Home Secretary, both on the prisons and the police. He said: "It was Labour home secretaries like Mr Roy Jenkins who failed to provide the prison places for whose shortage they now criticise us."

Minister begins series of visits to inner city areas

BY LISA WOOD

SIR GEORGE YOUNG, the Parliamentary Under-Secretary at the Environment Department, who has special responsibility for races, yesterday started, in Handsworth, Birmingham, a series of visits to inner city areas where ethnic minorities are concentrated.

Sir George said he would raise several questions during these visits. These included why some local authorities were doing better than others in tackling racial disadvantage and what the special problems facing ethnic groups were and how they could be overcome.

Sir George said some people had criticised his appointment by "suggesting on the one hand that it is an empty cosmetic exercise in liberal-mindedness and on the other hand that it amounts to rewarding the people who took part in the disturbances of last summer.

"Not only are these charges inconsistent with one another, they are each nonsensical. What I am concerned to do is to encourage people to tackle the real problems faced by many members of the ethnic minorities.

Housing and the urban programme are the two main areas where the department is involved in race issues. The financing of the urban programme this year will total more than £270m.

Company law review urged

A ROYAL COMMISSION should be set up to review the economic and social foundations of UK company law, says the Institute of Directors.

Mr Walter Goldsmith, the institute's director general, said yesterday consolidation of the existing Companies Acts was a welcome and necessary preliminary, but the combined efforts of the voluntary groups examining the subject lacked the focus a commission could provide.

A coherent body of company law could be set up if it were uncluttered by items which fell into other areas.

Inland telegrams to end

BY JASON CRISP

THE inland telegram service which began in 1870 is being closed in October by British Telecom on the grounds that it is little used and makes heavy losses.

The telegram service lost £50m in the year ending March 1981. The inland service, which had revenue of only £10m, lost £20m.

International telegrams will continue—the basic charge goes up a third next week to £2. They will no longer be delivered by hand nor will they be accepted over Post Office counters.

British Telecom says it has been paying the Post Office £25m to deliver telegrams and accept them over the counter. The number of inland telegrams sent has fallen 30 per cent in the past year to 2m. In 1950 about 41m telegrams were sent.

Mr John Morgan, speaking on his last day as chairman of the Post Office Users' National Council, criticised British Telecom for failing to market the telegram service. He also said that the new Telemessage service which replaced the overnight telegram service was being marketed in a half-hearted way.

Profits rise expected by CEGB

By Martin Dickson, Energy Correspondent

THE Central Electricity Generating Board is expecting to make a £320m operating profit in 1981-82—a £130m rise on the previous year. But its return on assets is likely to be below the three year financial target set by the Government.

Mr Glyn England, the CEGB chairman, said yesterday that the expected operating profit in the year ending on March 31 was a substantial improvement on the board's initial forecast of [illegible]m.

It had been achieved even though electricity sales were likely to be broadly the same as last year's figure of 209 Terawatt (million million watt) hours.

His figures mean the CEGB is likely to make a return on assets employed of 1.5 per cent in 1981-82. This is higher than the 1.2 per cent achieved in 1980-81 but below the average 1.8 per cent return set by the Government for the three years ending in March 1983.

This means that in the coming year the board — which has unsuccessfully asked the Government to relax the target —will have to aim for a high return of 2.5 per cent.

Mr England said the 1981-82 improvement had been helped by keeping fuel cost increases to 12 per cent per unit sold, against an original estimate of 17.7 per cent.

About half of this saving was due to a special coal price deal with the National Coal Board. The other half was due to the better availability of high efficiency coal stations and a reduction in the use of expensive oil-fired plant.

Why it pays to be kind to the customer

By David Churchill, Consumer Affairs Correspondent

COMPANIES THAT ignore consumer complaints run the risk of losing sales, according to a research study published today at the National Consumer Congress meeting in Guildford.

The research, by Mr Colin Adamson, quotes a number of case studies in both the UK and U.S. which show the effect of poor customer relations.

A U.S. government survey, for example, showed a customer was more likely to return to a company which had resolved a complaint.

"Business is lucky to have customers who complain, because it has another chance to satisfy the customer," says Mr Adamson.

The study quotes companies such as J Sainsbury and Marks and Spencer which "seek out and act on the consumer interest in the way that they do business."

Consumers in Business, published by the National Consumer Council, 18, Queen Anne's Gate, London, SW1, price £2.

Investment trust shares rise after reorganisation

BY ROSEMARY BURR

MORE THAN two-thirds of investment trust shares outperformed the UK equity market over the year to February 26. Much of the rise in investment trust share prices took place in the first two months of this year as a result of substantial reorganisation among the industry's biggest groups.

In December both Robert Fleming Investment Management and Touche Remnant, which together account for about £1.6bn of the near £9bn net assets in the investment trust sector, announced their intention to reorganise.

Three Fleming trusts, United States and General, London and Montrose and London and Provincial—all in the top four investment trusts in terms of total return to shareholders over the year to February—were also unitised.

In January, discounts on investment trusts narrowed markedly from about 29 per cent to 21 per cent. February saw a further shrinking of the gap to just under 20 per cent, a 12-month low.

Mr James Rath, assistant secretary of the Association of the Investment Trust Companies, says "the discount is beginning to reflect the nature of the company. The sector is no longer all going in the same way. For example, energy trusts have moved from a discount of 6.5 per cent last autumn to 17 per cent in February."

● Top five investment trusts in the year to February 28, 1982, ranked by total return to shareholders.

Rank	Trust	Management group
1x	United States & General	Robert Fleming
2	London & Montrose	Robert Fleming
3	General & Commercial	Philip Hill
4	London & Provincial	Robert Fleming
5	Bankers	Touche Remnant

John Laing wins £41m road contract

By Robin Reeves, Wales Correspondent

JOHN LAING Construction has been awarded a £41m contract by the Welsh Office to build a 5.9 km (3.54 miles) section of the new A55 dual carriageway along the North Wales coast.

The contract, which covers the section between Colwyn Bay and Glan Conwy, is one of the largest ever awarded for trunk road improvement in the UK. It includes a 3.5 km twin track railway formation, to be handed over to British Rail for track laying.

Mr Nicholas Edwards, the Welsh Secretary of State, confirmed, earlier this week that the next section of the new A55 — a tunnel under the River Conwy, estimated at £77m, 1977 prices will go ahead.

The overall cost of the tunnel section was estimated at £77m at 1977 prices. But it is expected now to be far higher.

Detailed engineering work and the legal powers for compulsory purchase are now under way. It is hoped that the construction of the tunnel will start towards the end of 1984.

Arbitration ruled out in dispute on 12½-year-old contract

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE COURT of Appeal ruled yesterday that a dispute over a contract made 12½ years ago could not go to arbitration because the time lapse had made a fair trial impossible.

By a majority, the court dismissed an appeal by Partenreederei Hannah Blumenthal, a German company, against a Commercial Court decision that the agreement to arbitrate had been frustrated.

Lord Denning and Lord Justice Kerr held the case was distinguishable from that of Bremer Vulkan in January last year. The House of Lords then ruled the courts had no power to halt an arbitration because the claimant had not proceeded with it, there being a mutual obligation on both parties to get the arbitration moving.

In 1969 Partenreederei bought a ship from Paal Wilson and Company of Norway. In 1972 a dispute arose, and the German company claimed DM 1m damages. Each side appointed an arbitrator, but it was not until 1980 that Partenreederei suggested fixing a date for the arbitration.

Lord Justice Kerr said the case was an example of the stale and long-dormant arbitrations known to exist, which posed serious problems for the credibility of English arbitrations.

The issue was whether parties were to be held to an arbitration agreement in circumstances in which, had the dispute been dealt with by way of a court action, it would unhesitatingly have been struck out.

Until the Law Lords' decision in Bremer Vulkan, it would not have occurred to any lawyer, arbitrator or businessman that the law was powerless to treat an arbitration agreement in the same way.

That decision had caused concern, not only in London, but also abroad among those who looked to England as an important venue for international commercial arbitration, said the judge.

His view, however, was that the Bremer decision did not mean that, given that the essence of arbitration agreements was the parties' intention to resolve their disputes fairly, the law insisted on enforcing such agreements when that fairness was no longer possible.

The Bremer decision stopped a respondent to an arbitration relying on delay by the claimant as a breach capable of being treated as a repudiation of the arbitration agreement, but did not stop the respondent saying that the agreement had been frustrated.

The only positive obligation laid down by the House of Lords had been a mutual obligation of co-operation between both parties. Generally, the duty to take the initiative would lie on the claimant.

Lord Denning said it was Partenreederei's failure to act which had made a fair trial impossible. It had been guilty of frustrating delay, which had been a repudiatory breach of the arbitration agreement.

Lord Justice Griffiths considered the Bremer decision operated against Paal Wilson. There were limits to the judicial ingenuity it was permissible to employ to avoid the consequences of an unpopular decision — particularly a decision of the House of Lords.

UK NEWS

Foreign exchange broker sheds 80

By William Hall, Banking Correspondent

ABOUT 80 foreign exchange dealers and associated staff in London and New York lost their jobs following Mercantile House's acquisition of Charles Fulton, the UK's fourth largest foreign exchange broker, earlier this week.

Mercantile House, Britain's largest foreign exchange and money broker, has closed Fulton's loss-making New York foreign exchange operation and the firm's London forex operation, except for one or two specialised areas such as Japanese yen dealing.

Fulton's had been losing substantial sums on its London and New York foreign exchange broking operations which were offsetting earnings on its profitable domestic money broking activities.

Mercantile House said at the time of the takeover it was going to "rationalise immediately" Fulton's unprofitable operations.

Mr John Barkshire, chairman of Mercantile House, said yesterday that up to 50 dealing staff had been laid off in London and New York and that between a quarter and a third of the London forex dealers would be re-employed elsewhere within the group.

He said that with the cut Mercantile House would now be able to preserve the jobs of the remaining 600 staff working in Fulton's UK and overseas offices. If this action had not been taken, he doubted whether the firm could have survived in its present form.

Charles Fulton had been in a "Catch-22 situation," he said. Its two biggest foreign exchange operations in London and New York were losing money and if Fulton had shut them down to stem the losses, the overall foreign exchange operation would have had no outlets in the two main world financial centres.

He stressed that the other parts of Fulton's business were profitable.

Retrenchment policy helps BA to cut costs by £150m

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MOST objectives in British Airways' retrenchment programme have been achieved. As a result, the airline will be £150m better off in the coming financial year.

The programme was introduced last September to cut £145m losses in the 1980-81 financial year. They are still expected to amount to £200m in the current year, ending March 31.

The airline hopes that because of the cuts it will be well on the way towards breaking even in the coming financial year.

Mr Roy Watts, deputy chairman and chief executive, in a message to staff, says that in addition to improving the outlook for 1982-83, the cuts "will go on showing benefits in the years to come.

"In 1985-86, the steps we have taken over the past few months will be improving our results by £200m a year or more."

He stressed that BA's troubles were far from over but said the airline was on the way to financial recovery.

Mr Watts says airline personnel strength at the end of February was 44,500. This will be further reduced to 42,600 over the next two months.

Operations on 16 international routes have been or are about to be ended; all scheduled freighter operations have ceased; three Boeing 707 jets, a 747 freighter, seven Trident Twos and seven Viscounts have been sold; no basic pay rises have been granted; and various activities, such as catering, have been hived off to other organisations, to save cash.

Progress on disposing of assets, such as buildings and training centres, has been good, but some deals still have to be completed, such as the sale of the College of Air Training at Hamble.

On the operational side, while short-haul punctuality has been improved to 80 per cent, and long-haul punctuality up to 66 per cent, work is in band to achieve higher standards.

Mr Watts says that because of these and other measures the airline's break-even load factor—the percentage of seats that must be filled in order to meet operating costs—will drop this year by four percentage points.

"The whole trend in our industry is for break-even load factors to go up, not down."

Some measures have not been achieved, and work is under way to rectify this, says Mr Watts.

The airline still has to reach agreement with other authorities on matters such as the abolition of airport security charges payable by the airlines; securing Terminal Five at Heathrow instead of the development of Stansted; and winning support for the view that there is too much under-pricing and over-capacity in the industry.

The airline is in the middle of maintenance, scheduling and marketing studies, designed to provide for higher utilisation for most of its aircraft in 1982-83 and beyond.

The airline has modified its Boeing 747 Jumbo jet fleet to provide fuel savings worth £10m in 1982-83, while other improvements are being made in flight planning techniques to save fuel and money.

Intel opens European headquarters

BY LORNE BARLING

INTEL CORPORATION, the U.S. electronics company, yesterday opened its Northern European headquarters at Swindon, Wiltshire, where up to 1,000 new jobs are expected to be created within the next few years.

Dr Gordon Moore, chairman, said there were signs that recession within the world microprocessor industry was receding, and that the prospects for the company's growth in Europe were good.

The new facilities—officially opened by Mr Kenneth Baker, Minister of State for Information Technology—is initially employing about 200 people, mainly on sales and customer service.

Dr Moore said no decisions had yet been taken on when further expansion would take place, but European customer requirements would eventually lead to the creation of about 1,000 more jobs.

Wafer manufacture in the UK was unlikely. But a greater requirement for systems integration work was expected in addition to customer services.

The £5m investment at Swindon is seen as a firm commitment by Intel to expand its European activities both geographically and in terms of product mix.

Dr Moore said there was an increasingly better balance between price and demand in the world semi-conductor market, but this should be treated cautiously.

"It is disconcerting to see demand for our products increasing while other parts of the economy are not looking too healthy."

Although Intel had increased the amount of systems it sold in comparison to components, this mix was likely to be dictated in the long term by market forces rather than company policy, he said.

Welsh business courses kick-off

THE FIRST Small Business Development Programme organised by the Development Board for Rural Wales and the Manpower Services Commission finished yesterday.

The nine-week programme, designed for the development board by Wales International Management Centre, is intended to help people about to start businesses which could create jobs.

Tests set for laser aid to night flights

BY DAVID FISHLOCK, SCIENCE EDITOR

A BRITISH invention which uses a laser to help pilots fly high-performance aircraft in total darkness is on its way to the U.S. for its first flight tests this summer.

The laser is buried in one of two small black boxes developed by Marconi Avionics, as part of a U.S. weapon system for night fighting, called Lantirn.

Lantirn is the acronym used by the U.S. Air Force for low-altitude navigation and targeting by infra-red at night.

At a ceremony in London yesterday, two small black boxes were handed over to Col Russell Boice of the U.S. Air Force.

Col Boice, from Wright-Patterson Air Force Base in Ohio, said Marconi had done a magnificent job developing the holographic head up display.

The head up display is a complex marriage of optical and electronic ideas, originally developed in Britain, with projects flight information on the windscreen in front on the pilot.

Marconi's latest invention uses holography—another British invention for which the late Professor Denis Gabor won a Nobel Prize—to enlarge the field of vision for the night-fighting pilot.

The laser in the Marconi system generates an image much more efficiently than conventional optics.

For the pilot the result is that, when flying in darkness, instead of trying to peer through a small "port-hole," he is presented with a much wider image of the terrain below.

Balancing the law against liberty

The Home Office is 200 years old today. Lisa Wood reports

THE HOME OFFICE today celebrates 200 years of existence—a period in which it has had to tread a fine line between fundament human rights and liberty, and the need to meet the demands of society.

For the Home Office, effectively the Ministry of the Interior for England and Wales, is responsible for those "law and order" agencies of the state, such as the police, prisons and immigration controls which are inevitably on the sharp end of both public and ministerial concern.

The tightrope it treads can be illustrated by the current vociferous debate over increases in reported crime. On the one hand it was Mr William Whitelaw, the Home Secretary, who commissioned Lord Scarman's investigation into the Brixton disorders and who welcomed many of his recommendations on greater attention to community or preventative policing.

On the other, since the publication of the latest crime statistics, he has been faced by a Police Federation, whose numerical and financial demoralisation he largely alleviated, calling for the restoration of capital punishment. Members of his own party have also criticised his liberal regime.

Earlier this week Mr Whitelaw, in announcing new police powers to fight crime, was attacked by the Opposition for failing to recognise the relationship between increased crime and rising unemployment.

Social implications of policy, however, is not an area in which the Home Office wants to become involved, given its nervous path — other departments such as Environment allocate money in areas such as the inner cities. Similarly it faces controversy, from within its own services and from the public in other political minefields such as immigration and nationality, race and sexual equality. The latter two are Home Office quangos operated by the Commission for Racial Equality and the Equal Opportunities Commission.

But it is salutary to note from the glossy 47-page booklet put out by the Home Office for its anniversary that opposition has often been more direct. In 1883, amid the Fenian bomb and dynamite attacks, an attempt was made to blow up the Home Office.

"The Minister is hoping that if he gives his critics enough rope they will hang themselves!"

The booklet states that in the first decades of the 19th century "the pressures of war externally increased the anxiety of the authorities over internal disorders." Lord Sidmouth's term as Home Secretary (1812-1822) was marked by constant struggles to suppress riots and demonstrations and maintain order. This responsibility has been a continuing preoccupation, whatever the political colours, or reforming zeal of successive Home Secretaries.

The First World War transformed the relationship between the Home Office and the police — Sir Robert Peel as Home Secretary in the 1820s being largely responsible for the forces' formation — the department taking on a greater role of central leadership.

Today the Home Office's police department is responsible for the 119,500 policemen in England and Wales although the Home Secretary is only the police authority for the Metropolitan Police, a position challenged by the present Greater London Council administration.

The first Home Office, set-up in March 1782, had a staff of 20, including "the necessary woman" who cleaned and lit the fires. Today with an expenditure of about £2,000m annually, the department employs 35,000 people, including 24,000 prison staff, in about 200 different units and buildings spread across the country. In London, alone, staff including the whole of the prison department headquarters, is scattered over 20 buildings. This unit was set up in 1963 as part of the Home Office after the abolition of the Prison Commission.

Home Office duties have been devolved over the two centuries to specific departments — war in 1794, colonies in 1801, local government in 1871, factory inspectorate in 1872 and Northern Ireland in 1972.

The Northern Ireland Office came into being as a separate department after the troubles developed in Ulster. It was set up under Mr James Callaghan and Mr Reginald Maudling, the then Home Secretaries, and commanded more time, resources and energy than the department was able to afford.

New responsibilities have since been taken on, despite the department coming under the same scrutiny as all other Civil Service departments from Sir Derek Rayner. Other less conspicuous functions include drug control, legislation relative to animals, gaming and licensing laws. Home Office staff has actually increased in the past two years, reflecting the Government's concern over law and order.

Strong criticism of the department's role in race relations came last year from the Home Affairs Committee in its investigation into racial disadvantage. The department, which has central responsibility in this area, does not co-ordinate policies relating to racial matters in other departments. Mr Timothy Raison, Minister of State at the Home Office, told the committee such a co-ordinating role would probably cause more friction than it would resolve. But the committee said it was not content "that the Home Office should tail passive role of spectator."

However, the Government did not share this view. The White Paper on Racial Disadvantage said individual departments must remain responsible for their own policies and programmes.

However, in situations such as the Iranian Embassy siege in May 1980, it is the Home Office which takes charge of the Government's response to the terrorists.

On the future of the Home Office, Sir Brian Cubbon, Permanent Under Secretary of State, said: "In 1882 after our first 100 years, the Home Office was struggling with the administrative consequences of the flood of legislation in the previous decade. Sir William Harcourt, the Home Secretary had told Mr Gladstone the previous year 'Each new reform of factories, mines, prisons, police etc has become a new chapter of business each almost equal to the whole of the former work of the department.'

"A year later the Home Office was faced with Fenian violence: attempts to blow up the Home Office itself and the Times office.

"I do not attempt to look forward to 2082 . . . I know only that 1982 will produce for the Home Office new problems and new crises not at present forseen."

LABOUR

Building workers seek 36% pay rise

By Ivo Dawnay, Labour Staff

UNION leaders representing about 700,000 construction workers yesterday presented employers with a pay and conditions claim valued at an increase of more than 36 per cent on basic rates.

The claim, which was made at a meeting of the Building and Civil Engineering Joint Board in London, includes:

- an increase in minimum earnings from £1.62½ to £1.90 an hour to take into account rates of £3 an hour being paid on some sites.
- consolidation of minimum bonuses ranging from £10.14 to £12.09 per week into basic pay.
- the reduction of the working week from 39 to 35 hours.
- an extra week's summer holiday.

The unions also want an occupational pension provision to boost the lump sum retirement benefit which takes effect next month; improvements in existing sick pay schemes; an occupational health scheme; and increased travel and subsistence allowances.

The employers warned, however, that they could not accept a union call for retrospective payment of any settlement reached after June 28, the anniversary of last year's pay agreement.

The two sides agreed to meet again on April 28, by which time the employers will have formulated a response to the claim.

Current guaranteed minimum earning rates in the industry are £73.51 for labourers and £86.19 for craftsmen.

Equity may flout TUC policy over closed shop proposals

BY JOHN LLOYD

EQUITY, the actors' union, may again flout TUC policy by seeking exemption from the closed shop provisions of the Employment Bill.

The union is concerned about the clauses which demand ballots of 80 per cent of the shop's membership or the assent of 85 per cent of those voting if the shop is to be recognised. It believes they will be impractical to operate in the acting profession.

The "casting agrrements" between theatrical managements and the union specify a closed shop, says the union. Closed shops are formed as soon as actors are assembled for a production, and any attempt to disrupt the arrangement would lead to insuperable difficulties.

The acting profession, together with shipping, were both allowed exemption from the closed shop provisions of the 1971 Industrial Relations Act, which effectively outlawed the closed shop.

However, a move by the General Council for British Shipping to secure exemption once more was turned down by the Government in the standing committee on the employment bill earlier this week. An amendment tabled by Mr Marcus Fox, the Tory MP for Shipley, was designed to secure exemption, but was withdrawn on Thursday night.

Mr Harold Walker, a Labour employment spokesman, has argued Equity's case in the committee—though Mr Walker has stressed that it is not Labour's policy to achieve exemption from specific parts of the Bill. The TUC opposes the Bill, and would be strongly against Equity attempting to secure "favoured status."

The union has already incurred TUC displeasure over its decision to ask for state aid for ballots of its executive—a move explicitly banned by the TUC.

A meeting of Equity's governing council on Tuesday is expected to debate exemption. The union, which is facing a deficit of £250,000 this year, is under some pressure to avoid costly actions.

- Mr Len Murray, TUC general secretary, yesterday described the Government's Employment Bill as "an attack on the very idea of trade unionism."

He told about 2,000 delegates at the Scottish Trades Union Congress in Glasgow: "We want you to go back to your places of work and warn your employers what these proposals mean to them, and the consequences of them using the legislation."

British Airways dispute enters seventh week

BY OUR LABOUR EDITOR

THE DISPUTE among British Airways baggage handlers at Heathrow enters its seventh week without prospect of settlement, while the company claimed last night that workers were continuing to return to their duties.

BA said yesterday that about 150 of the 1,600 baggage handlers had returned to work, and that volunteers were continuing to help run a normal service for passengers. The company said the past week had been the best for aircraft punctuality over the year.

Talks earlier this week between the Transport and General Workers' Union and the airline failed to produce a settlement. The union has said it will agree to changes in work patterns—the issue at stake—but only if BA reverts to previous schedules for a three-week negotiating period.

- A dispute involving baggage handlers at British Caledonian's terminal at Gatwick ended early yesterday morning. The handlers had walked out after disciplinary action was taken against a colleague for alleged pilfering.

The TGWU agreed that the company could interview the man over a number of incidents.

Turkey plants strike likely to end on Monday

THE SIX-WEEK strike at Bernard Matthews turkey processing plants in East Anglia is likely to end on Monday, an official of the National Union of Agricultural and Allied Workers said yesterday.

The union has recommended the 1,200-strong workforce report for work on Monday to vote on which of three separate pay offers to accept. The offers are: £6.50 over 12 months; £7 for 16 months, or £7.50 over 18 months.

The union wanted a 15 per cent increase on the basic £67.71, a shorter week and an extra week's holiday.

Shop stewards have decided to recommend Monday's votes

Permanent arbitration bodies proposed

BY PHILIP BASSETT, LABOUR CORRESPONDENT

PROPOSALS to encourage bargaining groups to set up their own standing arbitration machinery are among the findings of a review carried out by the Advisory, Conciliation and Arbitration Service.

The internal review, which will probably be published early in May as part of the Acas annual report, was conducted at the same time the Government was examining arbitration arrangements in the public sector.

The broad conclusion of the Government's review was that public sector employers should try to alter existing arbitration arrangements where they provide for unilateral access to arbitration. This could determine the likelihood of implementation of some of the Acas proposals.

The Acas review found that arbitrators favoured the encouragement of standing arbitration bodies, particularly in the public sector and major industries, such as the arbitration arrangements for British Rail. This was preferred to more ad hoc arbitration arrangements such as those for teachers in England and Wales.

While acknowledging that members of standing arbitration bodies "were liable, sooner or later, to 'wear out their welcome'" from an industry, the Acas review suggests that a standing body's continuous involvement in an industry should increase its knowledge of it, provide for greater consistency and reflect a keener awareness of the implications of arbitration findings.

Acas suggests a rotation of members on standing bodies, with perhaps three-year appointments, to provide a range of specialist knowledge.

The report proposes an increased use of conciliation before a case is taken to arbitration and suggests that in future Acas will offer conciliation even if the parties have already agreed to arbitration. It also suggests that arbitrators should carefully check proposed terms of reference to see if arbitration is the appropriate forum.

An internal Acas study shows that about one-third of all terms of reference are framed in such a way that the arbitrator is left with a straight choice between two options.

The review urges flexibility in approach, with a willingness to refer an issue back to conciliation if arbitration is inappropriate. It suggests the establishment of a national arbitration secretariat to service key arbitration bearings.

Acas notes that in the public sector in particular, disputes procedures often have no provision for conciliation and move straight to arbitration, even though "conciliation might well have been effective in narrowing the area of the dispute."

Figures included in the review show that 19 out of 20 awards are implemented without further contact, which the review considers "a remarkable result, considering that all these cases have been insoluble in negotiation, or conciliation."

A further internal Acas study belies doubts that arbitration usually amounts to just splitting the differences between a union claim and an employer's offer. Many of the arbitration awards were within 10 per cent of the employer's offer, and only 7 per cent of al awards fell outside 25 per cent of the offer and 25 per cent of the claim.

Pay matters other than general pay were the main subject of dispute in the arbitration awards handled by Acas.

Acas initiated 51 per cent of arbitration reference.

APPOINTMENTS

Finance director for Burmah Oil

Mr M. J. Dowdy has been appointed group finance director of BURMAH OIL from June. He will succeed Mr L. M. Urquhart who will be appointed chief executive, Castrol Worldwide. Mr Dowdy is finance director of Sime Darby Berhad, Malaysia.

*

GRESHAM LIFE ASSURANCE SOCIETY and AMEV LIFE ASSURANCE have appointed Mr A. A. Tate and Mr D. I. Stevenson general manager (administration) and general manager (services) respectively of both companies. Gresham Life and AMEV Life are part of the international insurance group, NV AMEV.

*

Mr Edward D. Healey has resigned as a director of MFI FURNITURE GROUP.

*

Mr Chris Lomberg has been appointed chief executive of SIMON ENGINEERING from April 1. He takes over from Mr Harry Harrison who remains chairman. Mr Lomberg was appointed deputy chief executive in 1981.

*

MECMAN has appointed Mr Charles Challinger managing director. He was sales director of Kay Pneumatics.

*

Mr J. M. Atkins has been appointed deputy chairman of COX AND KINGS and its subsidiary, COX AND KINGS TRAVEL. Mr Atkins is also deputy chairman of Good Relations Group and chairman of East Kent Packers.

*

Mr Gordon M. Bain, assistant general manager of Tyreservices Great Britain, has been elected president of the NATIONAL TYRE DISTRIBUTORS.

*

Mr David A. Russell, chairman of Rosser and Russell (London), assumes the additional responsibility of managing director following the departure of Mr M. B. G. G. Swain. Mr George E. Sharp is appointed a director of ROSSER AND RUSSELL (the group's holding company). Mr Denis Kelly is appointed chairman of Rosser and Russell (Ductwork) and Mr L. A. Wallis managing director of Rosser and Russell (Services). All appointments are from April 1.

*

Lord Thomson of Monifieth will join the board of the ROYAL BANK OF SCOTLAND GROUP on April 1. Lord Thomson has served on the board of one of the group's constituent banks, The Royal Bank of Scotland, for some years but will be relinquishing that appointment from March 31. Sir Peter Roberts will be retiring from the group board on the same date.

*

Mr Tim Clarke, Mr Bill Allan, Mr Lachlan Burn, Miss Jane Murphy, Mr Richard Tapsfield and Mr Jeremy Brown will become partners of LINKLATERS AND PAINES, solicitors, on May 3.

*

Mr. James Nicholson is appointed a director and Mr David Draper, Mr David Kemp, Mr Trevor Sliwerski and Mr Michael Toft are appointed managers of ROBERT FLEMING AND CO. Mr Anthony Golding is appointed a director and Mr Richard Ansell, Mr Stephen Hill, Mr Francis Ledwidge, Mr Mario Malt and Mr Christopher Munro are appointed managers of Robert Fleming Investment Management. Mr David Testa, a director of T. Rowe Price Associates, is appointed chairman and Mr Martin Wade is appointed president of Rowe Price Fleming International, the joint venture of Robert Fleming and T. Rowe Price which manages international portfolios for U.S. institutions. All appointments are from April 1.

*

Mr Anthony B. Hughes has been appointed to the main board of T. COWIE, responsible for the management of Cowie Financial Services. Mr Hughes has been managing director of Cowie Contract Hire for the past five years.

*

From April 5 Mr J. M. Y. Dickens, director of manpower services at the NATIONAL WATER COUNCIL will become director of manpower and training. From that date Mr E. W. Watson, director of training, will act as adviser on training until his retirement on June 30.

*

Mr Bryan Hazlehurst has been appointed as sales and marketing director of MURPHY CHEMICAL. Formerly sales and marketing director for the home and garden and horticultural sions, Mr Hazlehurst now assumes additional commercial responsibility for all agricultural products marketed and sold by both Murphy and Dow Chemical in the UK.

*

DAVID S. SMITH (HOLDINGS) has appointed Mr Alan Leigh to its board and managing director of its operating subsidiary, David S. Smith. Mr Leigh divisions, Mr Hazelhurst now before joining the David S. Smith group, was sales director of Taylowe, part of BPC.

*

Mr D. C. Knechtli has been appointed chairman of JARDINE GLANVILL in addition to his responsibilities as chief executive of Jardine, Matheson and Co.

*

Mr D. R. L. Duncan of Charterhouse has been appointed chairman and Mr G. Hardman, Mr D. R. Williams and Mr K. D. Brown of M6 Cash and Carry have joined the board of A. E. PARR AND SON, following the acquisition of A. E. Parr and Son by M6 Cash and Carry, a subsidiary of the Charterhouse Group. Mr A. E. Parr, the founder of A. E. Parr and Son, intends to retire shortly and has accepted the honorary position of president. Mr David Parr remains a director of the company and will lead its management team.

*

INTERNATIONAL PAINT-INDUSTRIAL COATINGS has appointed Mr R. N. Doidge-Harrison as director responsible for packaging and coil coatings; Mr C. D. Melia director for industrial paints; and Mr D. Shaw as manufacturing director.

*

On April 30 Mr D. L. Stebbings and Mr G. T. Clark retire from FRESHFIELDS, solicitors. Mr H. S. K. Peppiatt becomes senior partner of the firm. On May 1 Mr D. C. ap Simon, Mr T. W. R. Head, Mr W. N. Richards and Mr I. Taylor become partners.

*

THOS. W. WARD (RAILWAY ENGINEERS), a Rio Tinto-Zinc Corpn. company has appointed Mr Ernest E. Caseldine as director and company secretary and Mr Beverley Waterhouse as director with special responsibilities for the installation and supplies division.

*

Mr James J. Campbell has been appointed president of the newly established trade and barter division of MASSEY-FERGUSON.

*

Mr K. W. Cook, previously a non-executive director of ELECTRONIC RENTALS GROUP, has been appointed an executive director with special responsibility for finance and planning.

*

Mr Charles R. Connell and Mr David A. Ross Stewart have been appointed as directors of the SCOTTISH PROVIDENT INSTITUTION. Mr Connell is a director of Charles Connell and Co, and Mr Ross Stewart is managing director of John Bartholomew and Son.

*

Mr David Kirkpatrick is to become an investment manager of SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY on April 16 and will join the society's assistant executive. Mr Michael Jackson has been appointed to the society's assistant executive as property manager.

*

Mr William D. Hamilton has been appointed general manager, metals, Europe, for UNION CARBIDE UK. He will continue to be based in Glossop.

*

Mr John R. Clayton, managing director PAULS AND WHITES, and Mr Hugh Philbrick, managing director, PAULS AND SANDARS, will be retiring later this year. Mr George Paul will become managing director of Pauls and Whites; Mr Peter Simmonds will join the group board and become managing director, Pauls and Sandars; and Mr Jonathan Paul will join the group board and become managing director, Pauls Agriculture.

*

KENTING DRILLING SERVICES has appointed Mr Archie Boyd as director of marketing. Ultimate holding company is Trimac, Calgary, Canada.

*

Mr Ian M. Russell has been promoted to financial controller of PENTOS.

*

Mr Michael J. Bohling and Mr Derek A. Roden have been appointed to the board of ANTHONY LUMSDEN GROUP.

UK NEWS—THE FINANCE BILL

CAPITAL GAINS

The clawbacks on indexation

SOME OF the most tortuous and incomprehensible proposed legislation seen in a Finance Bill for some years is contained in the Chancellor's promised indexation of capital gains. As expected, the proposals permit individuals and companies to reduce their chargeable capital gains by a factor to be known as the indexation allowance.

This allowance is calculated by applying the increase in the Retail Price Index from the later of March 1982 and 12 months after the date of acquisition to the month in which the asset is disposed of. The cost to which this factor is to be applied (the relevant allowable expenditure) is the original cost of the asset.

For assets acquired after April 6 1982 full indexation of costs is therefore achieved, subject to the first 12-month rule. Enhancement or improvement expenditure is also indexed from the date when the expenditure is reflected in the value of the asset.

For assets held at April 6 1982, however, the indexation allowance is much less valuable as it is original costs and not the value at April 6 1982 which is subsequently indexed.

The Inland Revenue has, therefore, avoided giving any relief for the high inflation years of the 1970s.

Ever watchful, though, the Revenue has proposed further restrictions on the use of indexing. The mechanism for calculating the indexation allowance first requires the comparison of actual costs and proceeds to ascertain whether there is a *money gain. Only if* there is such a gain may it be reduced by the indexation allowance, and even then only to nil. In other words, indexation may not itself create or increase a loss.

Hitherto, shares of the same class held in the same company have not each been regarded as separate assets but as a pool. When more shares are acquired the number and cost are added to the pool. When shares are disposed of, their allocated cost is an average of the cost of all pool shares.

Now that it is necessary to define assets by date and cost of acquisition, it is no longer possible to pool shareholdings at all. Accordingly the pool existing at April 6 1982 is frozen, and subsequent acquisitions are regarded as separate assets.

On each later disposal the Bill proposes that shares are to be identified first with any acquired in the previous year, and then with those acquired previously, but on a last-in, first-out basis.

This rule means that the indexation allowance is minimised since the shares acquired latest are regarded as sold first.

Special rules are also found dealing with disposals and acquisitions of shares during 1981/82 since there is no easy way of enforcing the 12-month waiting period to pool movements during that year.

In such cases the shares acquired in 1981/82 and in particular those which have been bed-and-breakfasted since Budget Day are treated as separate assets and not pooled. No general attack on bed and breakfast deals is, however, to be made.

There will undoubtedly be efforts to remove some of the anomalies in the detailed proposals as the Bill progresses. But even if no changes are proposed the indexing of capital gains is a major new relief. That the cost to the Revenue is small is a comment on the existing reliefs and exemptions and on the number of individuals realising money gains rather than on the Chancellor's generosity.

Indeed, it must be doubtful whether much, if any, tax on capital gains will now be collected. Leaving aside old assets, on which pre-April 6 1982 gains will be chargeable in full, it is now necessary for the money value of assets to outpace the Retail Price Index in order for any tax to be payable.

John Underhill

MORTGAGES

A changing pattern of repayments

MEASURES PROPOSED in the Finance Bill mean a fundamental change in the way home owners pay their mortgages. The affect the way in which borrowers receive tax relief on their home loans.

At present the average home owner pays his monthly mortgage repayments gross. The appropriate level of tax relief is deducted from the borrowers' income tax payments under the PAYE system.

However, the Government is proposing that, from April 1983, mortgage repayments will be paid net of tax relief. The administrative burden of providing mortgage interest relief at source will fall on the lender—the building society or the bank.

Mortgage tax relief is allowable only against the interest paid on a loan. Under the present system interest payments are at their highest during the early years of a loan; so this is when tax relief is at its highest.

Societies now propose to spread the burden of interest payments more evenly over the life of a loan. As a result the level of tax relief available will be lower during the early years of repayments.

The effect of this will be that net repayments in early years will be slightly higher than at present.

Building societies however say that they will provide alternatives for borrowers who object to increasing net repayments in the early years. This will involve extending the life of the loan.

Under the new system deductions for mortgage interest relief will be calculated using the basic rate of tax. For higher rate taxpayers — commanding a greater level of relief — the system becomes slightly more complicated.

It is planned that any difference between the basic level of tax relief and that available to higher rate tax payers will be taken account of when calculating income tax liabilities — on similar lines to the present system of providing for mortgage tax relief.

Andrew Taylor

MONTHLY REPAYMENTS ON A MORTGAGE

Likely impact of changes as these will affect a 25-year loan at 13.5 per cent over the first year

	£10,000	£15,000	£20,000
Gross repayment	£117.50	£176.25	£235
Net payment after tax relief	£83.75	£125.62	£167.50
New net repayment from April 1983	£88	£132	£176

TAX ADMINISTRATION

Revenue to benefit from changes to rules

MOST OF the changes to tax administration are to the advantage of the Inland Revenue rather than the taxpayer—even if it is the tax inspector who has been responsible for a mistake.

There is one exception which will enable a taxpayer to make a late application for postponement of tax if *his circumstances change*.

Under the present rules even if an appeal against tax is lodged, a taxpayer must ask for postponement of tax within 30 days, otherwise he can never make the application, no matter how his circumstances alter.

The traditional way out of this has been to ask for postponement of £1 tax as a matter of course, just in case the facility is needed later. The new and clearly much fairer rule will allow a person to ask for a late make the application for postponement, no matter how his *circumstances alter*.

The next clause in the Bill, however, could prove very costly for some taxpayers involved in incorrect assessment and payments particularly if some technical disagreement goes to the courts and drags through appeal stages for years.

At the moment, if the Revenue assesses tax, for whatever reason, at too low a level and subsequently issues a revised, higher demand it is to the great advantage of the taxpayer to agree the lower figure and dispute the higher figure, dragging the disagreement out *for as long as possible*.

This is because interest starts to accrue to the Revenue on the excess amount due only 18 months after the date when the new figure was finally assessed. The new rule will make the interest payable 18 months from the date of the original low assessment—in effect, giving the Revenue the possibility to charge interest on the basis that it would have been able to if its first estimate had been correct rather than too low.

A third clause relates to mistakes made by the Inland Revenue *which result in repayments* of too much money to taxpayers.

A nasty catch here is that the assessment may treat the repayment as unearned income

Robin Pauley

CLOSE COMPANIES

Tax relief for some managers in buy-outs

MORE EMPLOYEES of small companies should be able to claim tax relief on money borrowed to buy shares in their business — thanks to Sections 43 of this year's Finance Bill.

There may well be criticism of this measure at the committee stage, however, because some observers feel the Government has not gone far enough.

Clause 43 creates an alternative test for interest on money borrowed to invest in a close company. At the moment this relief is available only if the borrower owns more than 5 per cent of the shares — a restriction introduced largely to stop assets being, say, moved around a family at the taxpayer's expense.

Under the proposed legislation a borrower will qualify if he owns any shares at all *and he* "*has worked for the* greater part of his time in the actual management or conduct of the company or an associated company of the company."

Anyone who thinks that this is going to help managers in all management buy-outs and employees of Government-owned businesses sold to the private sector—who might, for example, be advised to borrow cash from the bank rather than use their own savings to take up their equity entitlement—is going to be disappointed.

The reason is that the new clause is restricted to close companies. "Close" companies were first defined in the mid-1960s, when a body of legislation was developed to prevent the shareholders of such companies avoiding tax. Although close companies have a number of characteristics the most important is that they are controlled by five or fewer people—one "person" including associates such as his wife and family. It is possible for public companies to be "close" but this is rare because companies where 35 per cent of the shares are publicly owned are automatically excluded.

Clause 43 will take effect in relation to interest paid on or after March 10, 1982.

While it will obviously encourage shareholders in some small companies, its application seems likely to be limited.

Mr David Tallon, of Deardon Farrow, accountants, says that participants in the bigger management buy-outs and employee buy-outs—"a trend which is going to continue"—will not qualify

"I think there may be quite a lot of discussion about this at the committee stage,"

Tim Dickson

UNQUOTED COMPANIES

Flexibility in equity finance

THE Finance Bill proposes legislation to enable unquoted companies to buy in their own shares without tax penalties. The aim, as outlined by the Chancellor in the Budget, is to increase the attractions to the entrepreneur of offering shares to outside investors. Investors will also be less likely to become locked in.

Provisions in the 1981 Companies Act made it possible for all companies to purchase their own shares. However, the money paid out would normally be treated under tax law as a distribution, and would be subject to advance corporation tax payable by the company and income tax payable by the shareholder.

Although this tax treatment has been retained for quoted companies, the Government has accepted that concessions should be made in respect of smaller companies which may benefit from greater flexibility in equity finance.

One objective is to make it possible for proprietors to admit outside shareholders for a limited period. Under the previous tax regime, such investors might well have been locked in, a position unwelcome to both sides.

It will be necessary to show that such purchases by a company of its own shares will benefit the trade. Relief may also apply where it is desired to buy out a dissident shareholder, and to make provision for capital transfer tax on death, in hardship cases.

This exemption to distribution taxes on share purchases will apply to unquoted companies (including companies traded on the Unlisted Securities Market). The company must be either a trading company or the holding company of a trading group.

The redemptions or purchases must be made wholly or mainly for the purposes of "benefiting a trade carried on by the company." When a main purpose is to enable the shareholder to participate in the profits of the company without receiving a dividend, or is tax avoidance, arrangements are disqualified.

Many conditions are imposed. For instance, the shareholders must be resident in the UK and have held the shares for at least five years.

The exemption for the purposes of paying CTT will apply if substantially the whole of the money paid for the shares is used to meet a liability for CTT charged on a death. It must be so applied within two years of the death.

However, the Finance Bill also provides that this exemption shall not apply to the extent that the liability could have been otherwise discharged "without undue hardship."

These changes in the tax law are designed to make the financing of small businesses much more flexible. The Chancellor made it clear in the Budget, however, that he thought it wrong to make changes which could make it possible to pay out what would amount to tax-free dividends.

Qualifying purchases of their own shares by companies under the proposals will render shareholders liable only to capital gains tax.

Because the proposals do not apply to quoted companies, it is unlikely that it will be common for such companies to take advantage of the concessions in the Companies Act.

However, in one respect the Finance Bill makes a provision which could be relevant for listed companies. Clause 47 provides for a dealer to be liable only for his normal tax treatment in respect of shares sold back to a company.

The idea is that a dealer such as a Stock Exchange jobber will not have to worry about whether he is selling shares to the company or not. Under the Stock Exchange dealing system he would not know the purchaser's identity.

Barry Riley

OIL TAXATION

Tax yield to remain at £6.2bn

THE OIL tax provisions of the Finance Bill add relatively little to the changes outlined by the Chancellor in his Budget speech.

Last night neither oil companies nor industry analysts were showing much excitement over the fine print of the new oil tax provisions. As Mr Alan Thomas, an analyst and partner with stockbrokers Kitcat and Aitken put it: "Everyone was disappointed at the time of the Budget but now what people are really interested in is details of the proposed changes in allowances."

A consultative paper on changes in the North Sea expenditure allowances that can be offset against tax was promised "shortly" by the Chancellor. The paper is now expected to be published in the next couple of months.

Meanwhile the Finance Bill spells out the main changes that are to be made in oil and gas tax—changes that will leave the coming year's tax yield from oil and gas fields largely unaltered at around £6.2bn. The main provisions are:

- The ending of Supplementary Petroleum Duty after the end of this year.
- A complementary increase in Petroleum Revenue Tax from 70 per cent to 75 per cent starting on January 1 1983.
- Advance PRT payments—equal to 20 per cent of gross revenues less an oil allowance of 1m tonnes a year—will be able to be carried forward and offset against PRT. Previously
- PRT to be payable on a monthly basis instead of every six months as at present.
- New rules for paying tax on ethane gas when it is used as a raw material for making petrochemicals.

The structural changes proposed in the oil tax system will reduce the marginal rate from 90.3 per cent to 89.5 per cent.

Sue Cameron

INDUSTRIAL BUILDING

Scope for allowances widened

DEVELOPERS AND property investors have been waiting anxiously for amplification of the Chancellor's remarks in his Budget speech about measures to widen the scope for industrial building allowance to include premises being used for "certain servicing, repairing and warehousing purposes."

Further details of the scheme are contained in the Finance Bill, but not for the first time, the property industry is likely to feel that these proposals have not gone far enough.

The issue is particularly important for the nursery factory market. Developers enticed by the prospect of 100 per cent building allowances have simply not found enough tenants who comply with the strict definition of a qualifying industrial use. As a result many of these units remain unlet.

The Government has now decided to widen the definition "industrial use" for building allowances—including 75 per cent allowances for larger units.

Under the new arrangement premises used for maintenance, repair, storage and warehousing will also qualify for industrial building allowances, provided that the goods and services are connected with an acceptable industrial process.

Premises operated under licence for industrial uses are also to be brought within the scope of industrial building allowances. However buildings used for storage for retailing purposes are specifically excluded from the new measures.

Andrew Taylor

Capital gains tax and the indexation allowance

IN HIS Budget Statement, the Chancellor announced that, from April 1982, gains will be calculated after taking account of inflation which occurs after that date. He said, however, that no relief would be given in respect of the first year of ownership as it would not be appropriate to extend relief to assets bought and sold within a comparatively short period of time. The Finance Bill shows how it is intended to give legislative form to these proposals.

The indexation allowance

1—The Bill provides for an indexation allowance for disposals on or after April 6 1982 (or April 1 1982 for companies). It is to be arrived at by multiplying the allowable expenditure by a figure determined by the increase in the RPI between March 1982 (or the month which is 12 months after the *month* in which the expenditure was incurred, whichever is the later) and the month of disposal of the asset. The indexation allowance will not be allowed to create or *increase* a loss. Some adaptations of existing capital gains tax rules are explained below.

Transfers on a no gain/no loss basis

2—Under the existing capital gains legislation, transfers between husband and wife, and also between companies in a group, are deemed to take place at a value such that neither a gain nor a loss accrues. The new relief will be taken into account in such transfers. Moreover, after such a transfer, the husband or wife or, as the case may be, the transferee company will not have to hold the asset for 12 months before qualifying for further relief.

Other "rollover" reliefs

3—There are a number of other reliefs in the existing capital gains legislation whereby on a disposal or part disposal of an asset the tax charge is deferred by deducting the gain from allowable expenditure. The major examples are the general relief for gifts and the relief for the replacement of business assets. In the case of a gift, the amount to be rolled over will take account of any relief available up to the date of the transfer but the donee will have to hold the asset for 12 months after the transfer before any further relief begins to accrue. Other rollovers will be dealt with in a similar way.

Shares: identification rules

4—Under the existing capital gains legislation, most shares of the same class in a company which are held by a person are treated as being in a pool (there are some exceptions, mainly for shares held on April 6 1965). A share pool is treated as a single *asset*, growing or diminishing as additions or disposals are made; once in a pool, shares lose their separate identity. Because the new relief cannot apply to, or create, losses and also is excluded for the first year of ownership of an asset, it will not be possible to *retain* the pooling rule for acquisitions on or after April 6 1982 (April 1 1982 for companies). These will not be added to existing share pools but will be subject to new *identification* rules. Subject to the provisions referred to in paragraph 6 below, the share pool at its 1982 cost will be treated as a single but separate asset.

5—In accordance with the new identification rules, disposals will be considered in chronological order, the earliest disposal first. On each disposal, shares will be identified first with shares acquired in the previous 12 months, on a first in first out basis; and next with shares acquired more than 12 months before disposal, on a last in first out basis. The identification rules will be modified in the case of certain transfers of shares between husband and wife and between companies in the same group.

6—Any tax liability on disposals in 1981/82 will not be affected. There is, however, no straightforward way of applying the 12-month waiting period to acquisitions of pooled shares in that year. The Finance Bill therefore contains rules for calculating the indexation allowance where the cost of shares in a pool in April 1982 is higher than it was in April 1981. The general effect is to treat part of the April 1982 holding as acquired, for indexation purposes, during 1981/82. In addition, where there is no such excess but in the period from Budget Day (March 9) to the end of 1981/82 the share pool, or part of it, has been disposed off and replaced by fresh shares, these are to be treated as acquired on the *replacement date*.

7—The existing rule whereby shares acquired in a rights or bonus issue are treated as the same asset as the shares to which they relate is not changed. When a person gives, or becomes liable to give, any consideration for such shares, that consideration will, however, be treated, for the purpose of calculating the indexation relief, as being incurred at that time and not when the expenditure on the original shares was incurred. The shares will need to be held for a further 12 months before relief starts to accrue on the amount of the new consideration.

Benefits in kind

THE Finance Bill contains technical provisions designed to clarify and amend the law (Sections 36 and 36A Finance [No 2] Act 1975) dealing with the taxation of benefits in kind provided to employees (whatever their earnings level) by means of "vouchers" and credit cards. This notice describes the general purpose of those provisions all of which are to take effect from April 6 1982.

Credit cards ("*Credit-tokens*")

1—Finance Act 1981, which with effect from April 6 1982 introduced Section 36A into the Finance [No 2] Act 1975, relied *for its definition of credit-token* on the Consumer Credit Act 1974. But that definition, while satisfactory in many respects, is in some ways too narrow and too technical for the purposes of identifying the cards which are commonly used to provide benefits of the type at which Section 36A is aimed. Accordingly, Clause 40 of the Finance Bill contains a new definition retaining the main features of the Consumer Credit Act 1974 definition, but dispensing with some of the technical refinements which while proper to the Consumer Credit Act are irrelevant, or unnecessary in the context of benefits in kind.

2—The new definition, like the old, is intended to cover ordinary credit cards, charge cards, retailers' own credit cards, cards designed to facilitate the purchase of specified goods or services and generally, any card which enables an employee to obtain goods or services leaving his employer (or some other person) to pay the bill. It is not designed to cover ordinary discount cards issued by employers (eg retailers) to their employees enabling them to buy goods from their employer at less than full retail value.

3—It was originally proposed that the amount of the benefit to be taxed should be the full cost incurred by the employer or other person providing the credit card, including any initial or annual charge for the issue of the card by the credit card company and any interest charged for late payment. However, to avoid the need for apportionments of small *amounts and the possibility* that employees could be penalised by the failure of their employers to settle their accounts promptly, it is now proposed that the charge under this section shall be confined to the actual cost of the goods or services obtained by the employee using his employer's credit card.

Vouchers

4—It is proposed to amend Section 36 Finance (No. 2) Act 1975 in two respects and to modify the detailed way in which that section works to bring it more closely into line with Section 36A (credit-tokens) and other provisions relating to benefits in kind. Firstly, it is proposed to extend the definition of "voucher" to include a "cheque-voucher," that is, a cheque issued to an employee enabling him to obtain goods or services for his own use. The Finance Bill provision is designed to ensure that such a cheque is treated in the same way as if it were a "voucher" (as defined in Section 36) and the employee will be liable to tax on what it costs his employer to provide the benefit obtained. This provision is needed because it is sometimes doubtful whether a tax charge arises under *existing legislation*. Secondly, effect is given to the assurance given to Parliament last year by the Chief Secretary (Official Report July 16 1981, Col 1320) that travel concessions enjoyed by lower-paid employees of British Rail and other passenger transport undertakings would be excluded from the effects of Section 36 as it applies to season tickets.

Changes on strike pay and benefits

1—Clause 29 of the Finance Bill introduces three amendments to the legislation in Sections 27-29 of the Finance Act 1981 bringing into tax benefits paid to the unemployed and to strikers. These are as follows:

2—First, the starting date for bringing these benefits into tax is changed from April 6 1982 to July 5 1982. Section 27(11) of the Finance Act 1981 provides for a starting date of April 6, but the Financial Secretary to the Treasury announced in the House of Commons last year (Hansard, Written Answers, October 27 1981, Col 340) that this starting date was to be deferred to July 5.

3—Second, the clause makes some minor amendments to the provisions in last year's Act defining supplementary benefit which is to be taxable when paid to the unemployed. The general effect of these amendments is to ensure consistency of treatment by bringing into tax certain additional payments of supplementary allowance. These are payments made in the period before a claimant has established entitlement to normal benefit; in the period after a claim has been made but before the first payment of normal benefit is actually due; or in a period where a claimant is disqualified from entitlement to normal benefit (for example, because he has unreasonably restricted the type of work he will undertake).

4—Third, the clause makes some drafting amendments to the 1981 legislation which take account of a proposed change to Section 5 of the Supplementary Benefits Act 1976. This is the section which applies the *condition* of registration and availability for employment to which a person's right to supplementary allowance is normally subject. The drafting amendments in the Finance Bill clause make no change to the substance of the Finance A. 1981 legislation.

Allowances for sick leave and maternity

1—Clause 28 of the Finance Bill clarifies the tax treatment of maternity pay, some allowances paid under job release schemes and (when it comes into payment) statutory sick pay under the Social Security and Housing Benefits Bill. In the case of maternity pay and of taxable job release allowances where the correct schedule of charge has hitherto not been specified, the legislation brings all payments within Schedule E from April 6 1982 providing statutory authority for the existing (partly concessional) treatment as earned *income*. The concessional treatment will apply to all payments for periods beginning before that date. In the case of statutory sick pay the clause ensures that when that scheme is introduced all payments will be clearly taxable under Schedule E.

2—The Clause does not affect the tax treatment of allowances payable under job release schemes applying only to women aged 59 and men aged 64, *which remain exempt* by virtue of Section 30, Finance Act 1977.

Industrial buildings and small workshops

Clauses 59 to 61 of the Finance Bill implement the Chancellor's proposals, in his Budget Statement, to widen the scope of the industrial buildings allowance, and to extend, for two more years, the special 100 per cent initial allowance for very small industrial units under the small workshop scheme.

The small industrial workshop scheme

1—Under the small workshop scheme, introduced in March 1980, a 100 per cent initial allowance is available for ex*penditure* on the *construction of* small industrial premises not exceeding a floor space of 2,500 square feet. The scheme runs for three years, until March 1983, and its purpose has been to encourage the development of workshops for small and emerging industrial businesses many of which have found difficulty securing suitable premises.

2—The scheme has been highly successful, particularly in encouraging the construction of industrial workshops at the upper end of the size range, where the Department of Industry estimates there has been a five-fold increase in construction. There has, however, been relatively little development of the smallest units, for which there remains an unsatisfied demand. The Government proposes, therefore, to provide a further period during which the special tax incentives will be available for the *construction* of this type of very small workshop.

3—Clause 59 of the Bill accordingly provides that the 100 per cent initial allowance will be available until March 1985 for expenditure on the construction of industrial workshops not exceeding 1,250 square feet.

4—The small industrial workshop scheme will also benefit from the widening of the general industrial buildings allowance described in the following sections.

Industrial buildings allowance—extension to premises let under licence

5—The industrial buildings allowance—which consists of an initial allowance of 75 per cent followed by annual writing-down allowances of 4 per cent—is available for expenditure on the construction of industrial buildings and structures.

6—At present, the allowance is available for industrial buildings which are occupied under lease or tenancy. Some industrial premises especially small workshops, are however used under a licence, and at present they do not qualify for the initial allowance. Licence arrangements are particularly helpful for new business start-ups, because they impose on the tenant only a short-term commitment and a minimum of other obligations; and the Government wishes to see them *covered by the industrial buildings* allowance.

7—Under Clause 60, therefore, industrial buildings used by licensees of the owner (or of the lessee) will be able to qualify for the initial allowance—75 per cent in the case of an ordinary industrial building and 100 per cent in the case of a small workshop.

8—Where a building is used by more than one licensee, the allowance will be available (under *sub-clause 3*) so long as all the licensees are carrying on industrial businesses within the terms set out in Section 7 (1) of the Capital Allowances Act 1968.

9—Under sub-clause (4), this widening of the allowance takes effect in respect of licences granted on or *after March 10* 1982.

Industrial buildings allowance—extension to maintenance and repair businesses

10—The Government proposes that premises used by businesses for the maintenance or repair of goods and materials should in future *qualify as in*dustrial buildings entitled to the industrial buildings allowance.

11—Clause 61 accordingly widens the definition of an industrial building under Chapter I of the Capital Allowances Act 1968, to include premises used for these purposes. This extension of the allowance does not, however, include premises which are (or form part of) a retail business; nor premises which are used by a non-industrial business to maintain or repair goods or materials employed in that business.

12—Under sub-clause (2), this provision takes effect on March 10 1982.

Industrial buildings allowance—warehousing and storage

13—In his Budget statement, the Chancellor *said* that *certain* warehousing activities would be brought within the scope of the industrial buildings allowance. This follows from a new practice to be adopted by the Inland Revenue, in the light of a recent court decision, under which the allowance will, in broad terms, be available for buildings *used for warehousing* and storage by traders and wholesalers, where the goods involved are to be used for an industrial process. The *allowance will* not be extended to premises used for storage for retailing purposes.

14—This change will not require legislation.

THE WEEK IN THE MARKETS

No sign of spring in equities

LONDON

ONLOOKER

Waiting for the spring-tide of company results, the equity market has been going nowhere very much. In the two-week account which ended yesterday, the FT 30 Share Index fell 5.5 points to 555.2, a movement of just under 1 per cent.

One reason for this lack of impetus is an expectation that as the results accumulate, so will the rights issues mount up. This week gave a foretaste, when STC, Tilling, and Vickers raised over £100m between them. In bringing out its figures a month earlier than usual, suggesting that it could not book a suitable date in the Bank of England's new issue queue, Vickers provided a good argument that the cash-raising traffic is going to be pretty congested in the weeks ahead.

More worryingly, the news from industrial companies does not give much evidence of industrial recovery. GKN, Lucas, and other leaders have cut out a lot of costs, but the level of demand remains painfully low. Yesterday Metal Box announced that the management's earlier expectation of sustained improvement had not materialised, and more capacity would have to be closed.

There has also been a halt to the recent strong trend in gilt-edged. At the end of the week, moreover, sterling came under pressure, falling on Friday almost to $1.78. The pressure was transmitted to the London money market, dispelling all hope of an early cut in clearing bank base rates.

Lucas' lights

Lucas' decision to maintain 1980's dividend against a pre-tax loss of almost £22½m had to be seen in the light of a second half profit of £24m, adding back redundancy costs. Then the share price had jumped 24p on the news, with the feeling that the corner had been turned.

However, last week's announcement of pre-tax profits for the half year to January of £9.3m (again adding back redundancy costs) was below dwindling market expectations and dimmed hopes for a quick recovery.

The vehicle equipment side managed to break even, after losses of £35m in the comparable period, but this was as a direct result of rationalisation. The expected upturn in vehicle production did not appear, and, in the U.S. demand for diesel engine equipment fell.

In the more glamorous Aerospace division there was a nasty sting in the tail. Order books for components had been at record levels at the beginning of the year, but then Rolls-Royce's RB211 engines, an important source of business for Lucas, received a series of blows. Sales of the long range Boeing 747 fell, and in December Lockheed decided to end TriStar production. Then in January the Government announced a slow down in the Tornado programme.

Lucas's reaction was to cut its workforce in Burnley by over a third, but start up costs on other programmes needed to fill the vacuum are likely to be about £3m in the second half.

Research and Development continues to be a significant above the line cost, working out at about £28m every six months, and with demand at current levels the problem of translating technological know-how into orders is not easing.

Lucas, along with the rest of British manufacturing industry, has been busy with the axe in order to create a profitable base. But volume is now the key, and the demand light seems jammed on amber.

Vickers' rights

Rolls-Royce Motors acquired something of a reputation in the mid-1970s for frequent visits to the market for money.

Now it looks as though Vickers took on this taste for rights issues when it acquired Rolls in the summer of 1980.

The big diversified engineering group called on shareholders this week for £24.4m in a one-for-four issue at 133p that accompanied its lacklustre year-end figures.

The rights issue had been widely expected because the company had advanced by a month its usual rate for announcing its year end results.

And so the shares, which stood at 167p at the end of last week, fell 7p early in the week and only 2p further following the rights issue. They finished the week at 159p.

Vickers was giving little away about its reasons for seeking the money, other than to bring down its capital gearing from 55 to 39 per cent.

Two years ago, when they were proposing the merger with Rolls-Royce Motors, the Vickers directors argued that "the broader based group, backed with substantial financial resources and with greatly reduced gearing, will be better able to prosper in the future."

The 1981 preliminary results, published with the rights issue, indicate that less progress has been made than might have been hoped. Pre-tax profits of £24.6m compares with £19.7m in 1980, excluding interest on nationalisation compensation. But £6m of last year's profit results from the effect on overseas earnings of the lower value of sterling. Another £2.9m comes from higher compensation over the Iranian tank contract. As for capital gearing, it has risen slightly.

One pleasant surprise in the preliminary statement is the sharp rise in trading profits of Rolls-Royce Motors from £8.7m to £16.2m. At the time of the merger, there was a lot of scepticism about Rolls' forecast that heavy investment on its new model would start paying off in 1981 but it has proven well-founded.

With a return on capital of only 14 per cent, Vickers has some way to go yet to prove the value of the merger. The market capitalisation of £135m is less than half the value of net assets and the yield on the new shares nearly 13 per cent.

Burton suits

Clothes, in the case of the Burton Group, now make the company. After a series of profit announcements remarkable for above-the-line property credits and below-the-line extraordinary costs, Burton's interim figures last week revealed a strong advance in the company's retail clothing business.

A company-wide cost-cutting exercise and expanded product line has added strength to Burton's retail operations. Volume went up by 10 per cent, without any expansion in floor space. This helped to produce a sparkling 18.7 per cent increase in operating profits in the face of unusually dull trading conditions.

Burton's balance sheet is now clean, prompting interest charges to plummet from £2.14m to £0.27m. Another property gain above-the-line gave a further fillip to pre-tax figures which jumped to £14.17m from £8.55m.

The company has also benefited from a clear-out of peripheral operations like Ryman and its French operations. The slimmer manufacturing side has reduced its losses and could be back to a break-even point by the year's end.

With all this house-cleaning behind it, it seems a safe bet that the company will be on the prowl for more suitable acquisitions, probably in the retail area where Burton shines best.

The market reacted favourably to Burton's good news, putting 15p on the shares during the week so they ended at 174p. The good news in retailing is expected to be maintained in the second half, prompting the market to predict a full-year result of about £22m, excluding property.

This puts the shares on a prospective fully-taxed p/e of around 13, which is reasonable for the sector. It is now up to Burton to keep up the pace.

North Sea Blues

The problems of North Sea oil companies were brought sharply into focus this week by results from LASMO and Shell UK. While oil prices are soft, and the Government is taking four-fifths of revenue, the companies claim that future exploitation of new fields in the North Sea is looking almost prohibitively expensive.

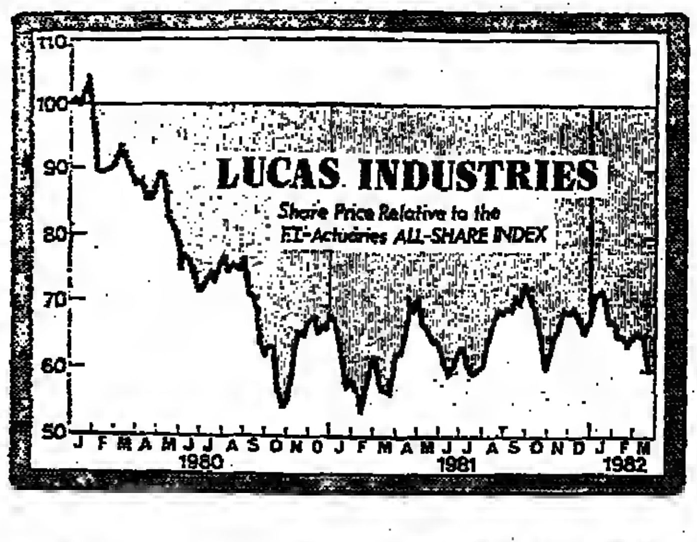
At one point in 1980 LASMO's share price was 895p; this week it was oscillating around 300p. Yet the picture of current earnings makes this judgment seem a little harsh. At the peak of its stock market fortunes, LASMO was paying no dividends, producing very little oil, and was extremely highly geared. Now there is enough cash in the balance sheet to pay off the £75m unsecured loan stock, while Ninian is flowing at 300,000 barrels a day, giving LASMO pre-tax profits of £113.2m in 1981, and a maiden 10p dividend is being paid.

Shell UK's profits before tax increased by 44 per cent in 1981, but since the tax bill jumped from £95m to £502m, the effect was a 58 per cent fall in historic net income to £158m. In current cost terms, there was a turn-round from profits of £166m to losses of £85m.

Dire warnings sprang from these figures. According to Shell, the Budget did nothing to ease the North Sea tax burden. The new Advance Petroleum Revenue Tax penalises the early years of cash flow from a new field; because early revenues are the most important, that exerts a disproportionate influence against the decision to invest.

For LASMO, the impact of this argument is going to be felt as earnings dip when output from Ninian field declines in three or four years' time. And while the oil price remains depressed, projections of the value of LASMO's reserves — based on the bounding escalation of prices which brokers so blithely assumed two years ago — must also be scaled back.

Pessimistic revaluations of reserves may justify the slide in LASMO and other North Sea shares in the past year (some others made up some of the lost ground this week). But it is hard to believe in calculations which imply—however professionally they may be executed—that new fields such as "T" Block will never be developed. Far more likely that the Government's depletion-cum-tax policy will be adjusted.



MARKET HIGHLIGHTS OF THE WEEK

F.T. Ind. Ord. Index	557.7	− 5.0	597.3	446.0	Overshadowed by second-liners
Anvil Petroleum	98	+18	298	77	Annual results due Monday
Armstrong Equipment	27	− 6	54	26½	1st half loss/reduced int. div.
Austin (F.) (Leyton)	5½	+ 2½	16½	2	Optimistic trading statement
Babcock Int.	98	+ 7	147	78	German sub's impressive figs.
Bemrose	68	+12	73	25	Annual results
Berwick Timpo	28	− 9	77	28	Trading loss/no final div.
Burton	175	+16	176	90	Good interim figures
Candecca	184	+17	230	120	Hambly Grove prospects
Claremont Petroleum	42	+10	99	10½	Jackson South oil discovery
Inter-City Investment	63	+19	63	9	Revived bid hopes
Lancaster (D. M.)	30	+ 6	31	13½	Bid approach
LASMO	300	+22	735	260	Good preliminary results
Lucas Holdings	196	−14	240	159	Interim results
North Kalgurli	19	− 7	83	17	Rights issue/mine closedown
Pearson Longman	315	+67	315	149	Bid discussions
Rockware	73	+ 9½	79	42	Good 2nd-half recovery
Rotork	50	+ 7	61	40	Better-than-expected results
Tilling (T.)	145	−10	195	132	Share placing finances U.S. deals
Turner & Newall	63	− 7	118	62	Recent dismal results

Before the dawn

NEW YORK

RICHARD LAMBERT

THE RELENTLESS decline in share prices has been checked for the moment—but the mood on Wall Street is still far from spring like. After four weeks in which all the main share indices had fallen by 5 per cent and more, a rally was well overdue, and only the most committed bulls would suggest that this week's price action marked any kind of turning point.

Share prices opened strongly on Monday, extending the upturn which had started to emerge at the end of the previous week.

By Tuesday, the Dow had climbed over 30 points in the space of four days trading. There were probably three main explanations for the gain.

In the first place, short term money rates were coming down. The key Federal Funds Rate slipped by about a point during Monday and Tuesday to around 13.5 per cent, and some of the big banks edged down their broker loan rates in response.

At the same time it appeared that some buying had materialised when the Dow edged below 800 in the middle of the previous week. Big round index numbers often seem to have some kind of magnetic pull on investors, and although it would be wrong to overplay the psychological angle, brokers did some prearranged institutional buying at the 800 level.

A third explanation for the rally is that the end of March is Quarter Day for the investing institutions. That is when they have to show their portfolios to their trustees and clients—and they like to get rid of their stinkers well beforehand.

Adam Smith, of "Money Game" fame and some entertaining thoughts on the subject in yesterday's Wall Street Journal. In notes on "the Lemming Syndrome" he explains that once a stock starts to collapse it collapses completely, because no institutional manager can afford to show it in his portfolio at the end of the quarter. As long as the stock is not there on April 1, you do not know whether he sold it on January 2 or March 30. The lemmings have certainly had cause to panic this year, and their influence has been particularly clear on the technology sector, where some very high hopes have been dashed by disappointing earnings statements. Until just over a week ago, stocks like Amdahl, Digital Equipment Control Data, and Honeywell had been taking a hammering, showing declines of well over 50 per cent in some cases.

As the selling pressures started to ease up, prices rallied sharply. Control Data, for instance, jumped by more than a 10th in a few days. But this seemed to be no more than a technical bounce from an oversold position.

The general rally lost momentum as the week progressed, and the hurdles faced by the equity market still seemed as formidable as ever.

Thus it was significant that the fall in interest rates was concentrated very much at the short end of the money market. Long term rates scarcely budged over the week, with the yield on long term Treasury bonds still stuck at around 13.3 per cent. With inflation now running at an annual rate of no more than about 7 per cent, this is an accurate reflection of the growing sense of crisis about looming Budget deficits—a concern which is by no means confined to Wall Street.

In addition, there are those who feel that even the short end of the market could be due for some upward pressure on interest rates. Largely for technical reasons, the weekly money supply figures are expected to show some sharp rises in the next month or so—and these numbers still exercise an hypnotic effect on investors.

It is possible that the equity market has still not fully adjusted itself to the impact of such high real interest rates on the economy. Analysts are still having to revise down their earnings forecasts for key sectors like the steel industry—where Republic Steel this week forecast a big first quarter loss. Moreover, it seems that some investors are already beginning to discount the start of an economic recovery.

For example, the shares of Ford and General Motors have shown sharp increases during recent weeks. And the airline sector has jumped by as much as two fifths from this year's low point.

Maybe dawn is indeed about to break. But the prospects for dividend growth this year are bleak, and with the equity market yielding under 7 per cent, it seems likely that something will have to happen to the bond market before the first rays of sunshine start to appear.

MONDAY	819.54	+13.89
TUESDAY	826.67	+ 7.13
WEDNESDAY	823.34	− 3.33
THURSDAY	827.63	− 4.29

Wounding South Africa's goose

MINING

GEORGE MILLING-STANLEY

SOUTH AFRICA'S gold mines have been the goose that laid the golden egg, in terms of the country's economy, for several years. In the tax year 1980-81, when the bullion boom was at its height, they paid R3.6bn (£1.9bn) in tax. This fell to R2.2bn in 1981-82, and the recent decline in the gold price suggests that the government's tax take from the gold producers in 1982-83 will fall to only about R900m.

This would seem to assume an average bullion price in the next financial year of only about $300 or so, at the current exchange rate of 96 U.S. cents to the rand.

Gold accounted for almost half of South Africa's total export earnings last year at R8.3bn, down from R10.1bn in the previous 12 months.

Gold, platinum and copper were the three metals most in the news this week, with the South African budget's changes in the tax surcharge on gold mines, first half results from Rustenburg Platinum, and annual reports from several leading copper producers.

The share market clearly did not like the tough budget proposals from Mr Owen Horwood, South Africa's Finance Minister, and reacted strongly to put a swift end to the minor rally in gold shares which had sent the Gold Mines index up 35.2 points over the previous five trading days.

The index slumped 14.1 points the day after the announcement of a rise from 5 per cent to 15 per cent in the tax surcharge on gold and diamond mines, which already paid a higher rate of tax than other companies in South Africa.

It is unfortunate that this extra burden had to be laid on the shoulders of companies already bowed beneath the strains of much lower commodity prices, falling ore grades and escalating operating costs.

Nevertheless, the money had to be raised from somewhere, and the surcharges will have most impact on the lowest-cost producers, bringing about falls some estimates put at up to 15 per cent in distributable profits of such mines as Driefontein Consolidated, Vaal Reefs and Kloof.

While this will obviously reduce this year's dividends in many cases, it does mean that the South African Government has not totally abandoned its enlightened attitude towards the taxation of mining companies.

The surcharges are expected to raise an extra R115m (£61m) in a full year, and Mr Horwood said some of this would be used to maintain the state aid scheme for marginal gold mines. Five mines applied for a total of R26.9m under this scheme last year, against a total of just R1.5m in 1980, and this year's figure will be considerably higher in the absence of a sharp and sustained upturn in the gold price.

The fear had been expressed in some quarters that Mr Horwood might have to announce some reduction in the scale of state aid. That fear should now be laid to rest. Mr Horwood may have wounded the goose that laid the golden egg, but at least he has not killed it.

Staying with South Africa, Rustenburg Platinum reported that net profits for the first half of the financial year to August 31 had fallen by 55 per cent to R28.1m. The company said it is expecting no improvement in the rest of the year, and profits could well decline further "unless a better balance between supply and demand is established at Rustenburg's producer price."

The producer price has stood at $475 (£264) an ounce since August 1980 but the free market price has fallen in that period from well over $600 to around the $300 mark.

This dual pricing structure gives the platinum producers several problems. They continued to supply the metal at their posted price even when this was well under half the free market level, and hoped that in return their customers would demonstrate similar loyalty when the positions were reversed.

Unfortunately this does not seem to have happened, as Mr Gordon Waddell, Rustenburg's chairman, reports that many customers are restricting their purchases to the minimum levels specified in their contracts.

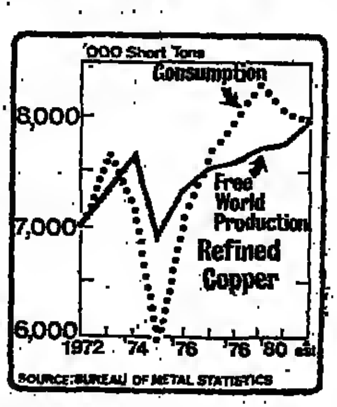
He has already rejected the idea of cutting the producer price to bring it into closer alignment with the spot market, on the basis that such a move would only serve to depress the free market price even further.

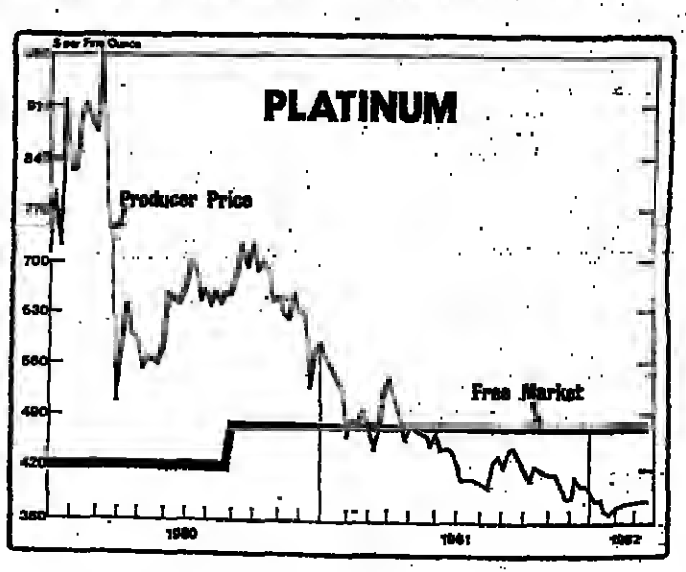
At least Rustenburg is still operating profitably, which is more than can be said for many of the world's leading copper producers.

Mr George Munroe, chairman of Phelps Dodge of the U.S., said this week that few, if any, of the producers in the U.S. can be profitable at existing prices, and the Rio Tinto-Zinc group's big Bougainville mine in Papua New Guinea admitted in its latest annual report that it is now running at a loss.

The position is not helped by the fact that Bougainville's two main by-products, gold and silver, have also fallen steeply in price over the past year or so.

The company remains confident, however, that the upturn will be rapid when it eventually comes. Bougainville has demonstrated this confidence by making forward purchases of copper at the current low prices, with the aim of using the expected profits on these transactions to offset the effects of the losses being made on current trading.





UNIT TRUST AND INSURANCE OFFERS

FINANCE AND THE FAMILY

Buying bottles the easy way

WINE

EDMUND PENNING-ROWSELL

WINE IS sold differently these days. Time was—and not all that long ago—when it was largely bought by a very small number of discriminating drinkers through occasional personal visits by customer to merchant. Over a mollifying large glass of sherry the business was transacted in the partners' curtained sanctum. If, as likely, the merchant's office was in London, and the customer, kept his wine, along with his family and his horses, in the country, the visit was one in a series that included others to his tailor and bootmaker. And from all three he exacted considerable credit.

Now a very large proportion, probably most, wine is bought off the shelf in the High Street grocery chains and in the off-licences. Moreover, most, we are told, is bought by women, and certainly for cash.

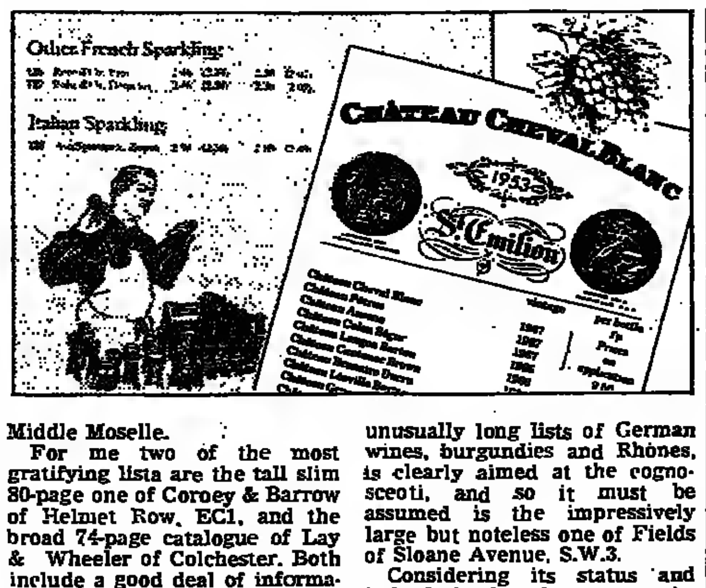
Commercially, no doubt, this is much the most important part of the wine trade—leaving out of consideration the quick-turnover spirit trade, on which it can probably rely less than it used to do. There is, however, another side of the trade of no less importance to serious, keen wine drinkers: the fine or vintage wine part. This is certainly a great deal larger than it was, and there are those who are confident that there is a steady flow of aspirant amateurs from the High Street to the cellar.

Nevertheless, those merchants who maintain their traditional role of buying vintage wines early, and holding them until they are at least relatively mature, have their problems. The only way to buy these economically is when first available, and this includes modest-quality wines as well as well-known, expensive ones).

Such investment and stockholding is only possible on the basis of substantial sales of what the trade often summarises as "running wines." These vintage-wine-listing firms also need to sell their quick-turnover sherries, vermouths, "house" clarets and inexpensive French, Italian, German or Spanish regional wines. We wine amateurs should bear this in mind as we drain our last bottle of Côtes du Rhône or Valpolicella! There is no more guarantee of the assured continuance of the fine wine trade than of any other. This is not to undervalue or denigrate the wines on the High-Street shelves or the genuine enthusiasm for quality of their professional buyers; but they can only purchase wines for almost immediate sale.

For the traditional wine merchants the essential sales weapon is their mailing list and their catalogue, which to be effective in these days of inflation and prices changes needs to be half-yearly. They have been considerably improved in recent years, with much more information and better presentation. Yet customer-selection has become more difficult because of the greatly increased range of wines pouring into this country: Italian, Central and Eastern European, Mediterranean, as well as the recent "invasions" from California, Australia and, now, New Zealand. Frankly, as a result, all too much choice has to be based on price, which is not fair on many of these "new" wines. The merchants themselves have a severe selection problem, and in general they must surely be congratulated on the results. Yet if catalogues are to be of economic cost and readable length, they must be supplemented by the periodical specialised offers that are now so common. Here detailed information about the wines can be provided more easily than in the seasonal catalogue.

But do not many dedicated wine merchants under-estimate the problems of choice and over-estimate their customers' knowledge? Far from all of the latter can reel off the list of classed-growth Médocs, the leading port vintages of the last 25 years, or the best sites on the Middle Moselle.



For me two of the most gratifying lists are the tall slim 80-page one of Corney & Barrow of Helmet Row, EC1, and the broad 74-page catalogue of Lay & Wheeler of Colchester. Both include a good deal of information, written, one feels, by people whose first consideration is not commercial. Also both are well produced. A runner-up is Adnams of Southwold. In parts this list is indeed so personal that the reader may feel an intruder into the firm's private joys and griefs, such as births of the management's children and the setbacks of staying in a certain Bordeaux hotel. But the wine information is generous, the style infectious.

Other lists are more restrained yet also usefully informative. Among the best of these is Tanners of Shrewsbury, notable for a wide selection of fairly recent claret vintages. Russell & McIver of St-Mary-at Hill, EC3, has a large-format list that allows detailed comments on most of its wines. Yapp Bros. of Mere, Wiltshire, specialists in Loire and Rhône wines, but now adding a champagne, have always been noteworthy for their descriptive lists, and this seems to have paid off, although sometimes one might feel that one can't see the wines for the words.

Other firms, however, appear to impress by the sheer weight of choice. Berry Bros. & Rudd devote six pages of their vest-pocket list to clarets. Their neighbours and rivals, in whisky as well as in wine, across St. James's Street, Justerini & Brooks, list 45 clarets of the 1978 vintage; and the amount of capital tied up that this may involve no doubt accounts for some steep prices. The discreet list of Loeb's, round the corner in Jermyn Street, notable for unusually long lists of German wines, burgundies and Rhônes, is clearly aimed at the cognoscenti, and so it must be assumed is the impressively large but noteless one of Fields of Sloane Avenue, S.W.3.

Considering its status and indeed the broad contents, the stapled, typewriter-type list of Harrods hardly does it credit. Not all its customers can rely on oral advice and be the "personal shoppers" who are advised as being able to take away their purchases. What might be thought their rival, Fortnum & Mason, produces a more stylish list, even if some of the prices are off-putting (£93.70 for a bottle of Pétrus '71—highest London auction price to date £48.33!).

They do not, however, print the vital information about whether the prices include VAT. (In fact they do). This is a matter on which there is a great division of practice. Soon inclusion will be compulsory for retail lists, but then it is fashionable nowadays to attract customers by calling one's list wholesale and for these, prices may continue to be VAT-exclusive. Merchants who carry on two forms of trade, retail and wholesale, on one list, claim that it is much more convenient to give VAT-less prices; and they state this opinion though not always prominently. Though not intentionally so, this is near-misleading, and should be carefully looked for; likewise the widely varying delivery terms. Among lists to hand, it is worth recommending the following firms for their VAT-inclusive prices: Army & Navy Stores, Berry Bros. & Rudd, Dolamore, Findlater, Harrods, Justerini & Brooks, Malmaison, Henry Townsend of Amersham and Yapp Bros. For keen price-watchers that 15 per cent may make quite a difference.

Snow clearance and grit

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

In view of the past winter's heavy snowfall, what is the statutory obligation of the local council to grit or clear pavements of snow, so that pedestrians can walk in reasonable safety? What is the position if a car skids at the traffic lights on ungritted road, crashes, and the driver gets killed? Has the widow, if non-gritting can be established, a claim against the council?

We think that there is no absolute obligation on the highway authority to spread grit on the pavement or to clear it, though an obligation could arise where the snow constitutes a statutory nuisance by obstructing the pavement.

We think that no claim would arise on your second instance, but circumstances could arise in which a claim might exist, e.g., if the road were gritted along all its length, but not on the patch where the accident occurs.

Legacies to minors

In your answer under Legacies to Minors on January 2 did you not overlook Section 42 of the Administration of Estates Act 1925? As to the answer under the right to drain a roof, would not a far better idea than to commence proceedings be physically to disconnect or divert the neighbour's runway or whatever it is called, whereby the water would go on to his own land?

Section 42 of the Administration of Estates Act 1925 was not overlooked: but as it merely removes the problem one degree by creating a subsidiary trust, we thought it not a suitable course to advise in the circumstances.

We agree that self-help may be more practical, as you suggest, but it could lead to contentious litigation in which the reader would be placed at a disadvantage because of judicial antipathy to self-help remedy.

A right to pre-emption

In your reply under February 20 you say this right and right of pre-emption should be limited to 21 years.
1. What is the enactment to this effect and where is the figure of 21 laid down?
2. Would it be legitimate for the deed envisaged to incorporate another contract providing an option, exercisable at any time during the first 21 years, to renew or extend for a period limited to 21 years the pre-emption contract?

1. Section 9 of the Perpetuities and Accumulations Act 1964.
2. No. We think that subsection 9 (2) of the 1964 Act would prevent this.

A stake in the home

My wife and I are joint owners of a house worth £50,000-£60,000. My daughter and son-in-law would like to share the house with us, by buying up to 25 per cent of its value and so give them a stake in the property. We have two other children, and as the house is our main capital asset we would not wish to do anything which would unduly prejudice their inheritance.

We think that you can achieve what you want by an oral declaration of trust dividing the equitable interest into a number or aliquot shares. You can then sell an equitable interest amounting to 25 per cent to your daughter and son-in-law, the price being low enough to be exempt from stamp duty.

Deed of family arrangement

Myself and two sisters were tenants in common of a house occupied by one of them who was unmarried. The resident sister has died intestate without parents or children. The house has a value of about £130,000. We wish to keep the house in the family but I propose to renounce my interest in my deceased sister's share of the property in favour of a half-sister. My sister likewise proposes to renounce her interest in my deceased sister's share in favour of the children of a half-brother. My solicitor advises that a Deed of Family Arrangement incorporating these wishes will (a) attract stamp duty, on the basis that the two renunciations represent a single transaction, but (c) that the transfers will not attract or count towards Capital Transfer Tax. (a) and (c) seem inconsistent. (b) seems unreasonable. If (a) and/or (c) is correct is there any means of achieving our objective that will obviate this liability?

We think that the advice is correct if the renouncers are not next entitled on intestacy; but that you may be better off if you and your sister separately assign the two one-sixth shares to which you have become entitled on the intestacy—not in one Deed of Family Arrangement. We think that the transfers will count towards Capital Transfer Tax but will not attract a charge if no major gifts have yet been made by either of you. A simple renunciation of an interest on intestacy before acceptance (so that the person next entitled takes automatically) will not attract stamp duty.

Contracts and stockbrokers

Contracts issued by one firm of stockbrokers in which I used to deal have the signature of one of the partners. Recently this firm was amalgamated with another, and the amalgamated firm issues contracts without any signature at all. Would such a contract without a signature be accepted by a court of law?

Your contract is in fact likely to be an oral one and the document described as a contract or contract note is only a memorandum of it. A signature is not essential. If the contract note accords with your understanding of the oral contract it will sufficiently serve its purpose as evidence of the agreement. If it purports to be an acceptance of written instructions it is desirable for it to be signed or initialled; but even if not, it will suffice so long as the authority to issue it is not denied.

Estate agents fees

It is usual practice for an estate agent to charge say 2 per cent for sole agency, but say 2½ per cent if other agencies are also instructed. Is this possible in restraint of trade and contrary to Article 85 of EEC legislation?

We think it most unlikely that an English Court would hold that the practice which you describe would be held to be contrary to public policy as being in restraint of trade. We also very much doubt whether Article 85 of the Treaty of Rome has any application to a concerted practice which relates to land within only one member state; as the Article is aimed at agreements and practices which affect trade between member states. You could however test the matter by seeking a court declaration that the practice is avoided by Article 85.

Outside the Rent Act

I am told the letting to companies, and shorthold tenancies are not "regulated" tenancies. Is this correct? What is the position with regard to such lettings?

It is correct that shorthold tenancies are not regulated tenancies although they do require a fair rent to be registered. They are a new statutory creation under the Housing Act 1980 and may be seen as a hybrid; but they are designed to be outside the statutory protection as to security of tenure. Lettings to companies are also outside the ambit of the Rent Act 1977 in relation to security of tenure, but that is because of the inability of a company to occupy a dwelling-house as its residence. Otherwise (as rent, premiums etc.) they are regulated tenancies. Moreover the letting must be a bona fide letting to a company and not a sham, if security of tenure is to be avoided.

Arbitration v. the Courts

I am preparing to take to arbitration a dispute with a builder of our house. Whereas the arbitect is quite satisfied that my complaint is justified and supportable as a breach of contract there are reservations as to whether I would receive the same satisfaction from arbitration as from the Courts. Could you please give me any information you have on arbitration and in particular if there is any advice you could give on presenting the claim and the limitations regarding costs and damages?

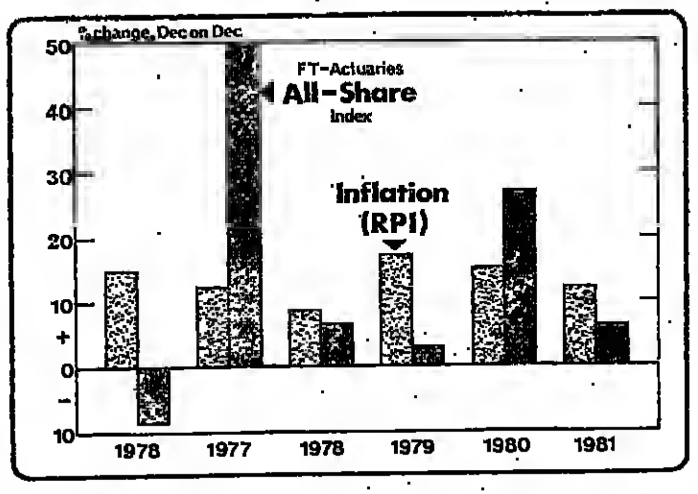
The area covered by abritration is a very wide one, and we cannot give general advice in the scope of a reply such as this. The practitioners' text book is Russell on Arbitration, and we suggest that you consult that in your local library. On costs you should review the process of making a "sealed offer" which you will find discussed in that work.

Rosemary Burr reports on cutting your Capital Gains Tax bill

And so to bed and breakfast

THE RECENT CHANGES in the Budget have left people in rather a quandary about whether or not to bed and breakfast shares ahead of April 5. In the past the decision was relatively simple. You started off with your annual exemption for the first £3,000 of net taxable gains. If your gains were higher than this you looked around for assets that had decreased in price and sold these in order to establish capital losses to offset against your gains.

The most common assets treated in this way were shares. The term used for the sale one day and subsequent repurchase is bed and breakfasting. In the past it made sense to bed and breakfast shares standing at a loss as losses can be carried forward but exemptions cannot. So the balancing act was to take full advantage of exemptions year by year, by bed and breakfasting sufficient losses to offset the gains over and above £3,000.



Life has been made more complicated by the Chancellor's Budget announcement that from April 6 capital gains will be indexed for assets held more than one year. This means if you bought an asset on or before April 5 1981 the indexation clock will start ticking on April 6. Assets bought more recently will not be protected by the new provisions until they have been held for a year.

Any asset which does not keep pace with inflation cannot be regarded as having produced a capital loss. So the position is still rather uneven. In addition, gains made before April 6 are not index linked.

The changes mean it may not be advisable to bed and breakfast in the same way as the past. Assuming you have unused capital gains exemption, this year it may pay to bed and breakfast gains in order to establish a higher base for indexation. It is best to choose one share with a large gain rather than bed and breakfast several with smaller gains; the aim is to establish the greatest possible proportionate rise in the base price, and also to minimise the dealing costs. If you establish a loss, you will actually reduce the potential benefit of indexation in the future.

In the following examples, assume inflation over the next year is 10 per cent and the following six months 5 per cent. If you bought shares of Bloggs Engineering at 50p and they are now standing at 30p, what should you do? Suppose you go ahead and bed and breakfast the shares at 32p. The shares recover and in 18 months' time when you come to sell they have reached £1.

Under the new system, if you bed and breakfast the shares your starting price will be 32p but indexation will only begin after one year. This means the index linked element will be 1.6p and you will be liable to tax on a gain of 66.4p.

If you decide against bed and breakfasting then your base is 50p. The indexed element is then 7.5p and the liability would be on a gain of 42½p.

In contrast, your portfolio includes Easy Living Holidays bought two years ago at 30p. In line with many holiday shares these have risen in value and now stand at 50p. If you bed and breakfast them and sell in 18 months, at 60p, the indexed gain element is 2.5p and the gain liable to tax is 7.5p.

If you do not bed and breakfast the shares the liability to tax will be more than trebled. The indexed gain element will be 4½p and the taxable gain 25½p.

Obviously these calculations depend on estimates of inflation and how particular shares move in price. As the £3,000 exemption cannot be brought forward it is best to make good use of it this year. The exemption rises to £5,000 in the tax year starting April 6, 1982. Remember capital losses can be carried forward but unused exemption cannot.

YOUR SAVINGS AND INVESTMENTS—1

Stock Exchange commission and how it affects you

A bargain for the small investor . . .

THE STOCK EXCHANGE COUNCIL has just witnessed a rare occurrence of institutional Goliaths going out to fight in support of small investors. As a result of pressure from big investors, the Stock Exchange's proposed hike in commission rates has been reduced.

This is the first time that the Stock Exchange has consulted users of the market about the price increase in a formal way. At the outset last December, when the proposals were announced, many people argued there would be little chance of influencing the outcome.

In the event, the Stock Exchange has bowed to the weight of opinion against its proposals. The original plan was to increase commission rates across the board by 7.3 per cent. This has now been pared to 4.2 per cent.

Commissions on smaller transactions ~~are now~~ proposed to rise by only 10 per cent, instead of the 16.7 per cent originally suggested. This ~~means a typical £2,000~~ equity bargain will cost £3 more.

Of prime importance to small investors is the new minimum rate. The current minimum is £7 on both sales and purchases. The proposed rise to £10 has been agreed on purchases but not for sales. Many firms already charge higher fees than this. As one broker argued "the Stock Exchange can't really order people to lose money."

Of equal interest to small investors is the Council's decision to increase the amount beneath which commissions are discretionary. At the moment brokers can charge less than the minimum for deals of £200 or less. The changes agreed enable brokers to use their discretion for bargains of £300 or less.

The picture is less happy on gilts where the large buyers have emerged relatively better off than those making small purchases. In cash terms a £2,000 gilt purchase will go up by £3.50 whereas a £5m order will increase by £11.25.

The brokers were in a quandry over fees as about half the firms rely on private client business for the majority of their revenue. There are 150 brokers outside London who concentrate on personal ~~clients. In addition~~ 70 per cent of the bargains struck on the Exchange are on behalf of private clients although these only account for 30 per cent of the value of transactions.

After the last round of increases in 1976 some firms decided to pull out of private client business. It is too early to judge the mood of brokers this time but some feel a more restricted type of service will be made available to the small investor by the big City firms. These firms have higher overheads than country brokers due to computers, research personnel and rates.

Mr Andrew Hugh Smith, a senior partner with Capel Cure Myers (CCM), which derives about half its revenue from private clients, says: "We are really quite happy with the revised rates. I think there is a problem with really small client business which will still be difficult to justify."

CCM has tried to meet the problem head on. The firm has encouraged people with less than £20,000 to opt for unit trusts or a portfolio of unit trusts. Alternatively the brokers offer a discretionary portfolio service which is computerised so the costs are kept down. Another method of cost cutting is to encourage clients to use the firm's nominee companies because this reduces the administrative burden.

Hugh Smith thinks more firms will be forced to move in these directions as a result of the proposed commissions. If he is right this will mean small investors who want to run their own portfolio will find it increasingly difficult to find a tame City broker.

The best advice to investors is probably to shop around several firms and find out their minimum charge. The proposals will probably come into effect in mid-summer, so if you want to do any bed and breakfasting before April 5 this will be unaffected.

Rosemary Burr

Bonds for cash

ANY INVESTORS who handed over sterling bonds to the Council of Foreign Bondholders so it could negotiate their repayment with the defaulting authority should check whether they are owed any money. The Council says it is sitting on £150,000 due to bondholders.

The Council cannot trace the recipients as in return for the bonds holders were given negotiable certificates of deposits. Usually after the Council announces a settlement most people claim quickly but some, it seems, never hear the news.

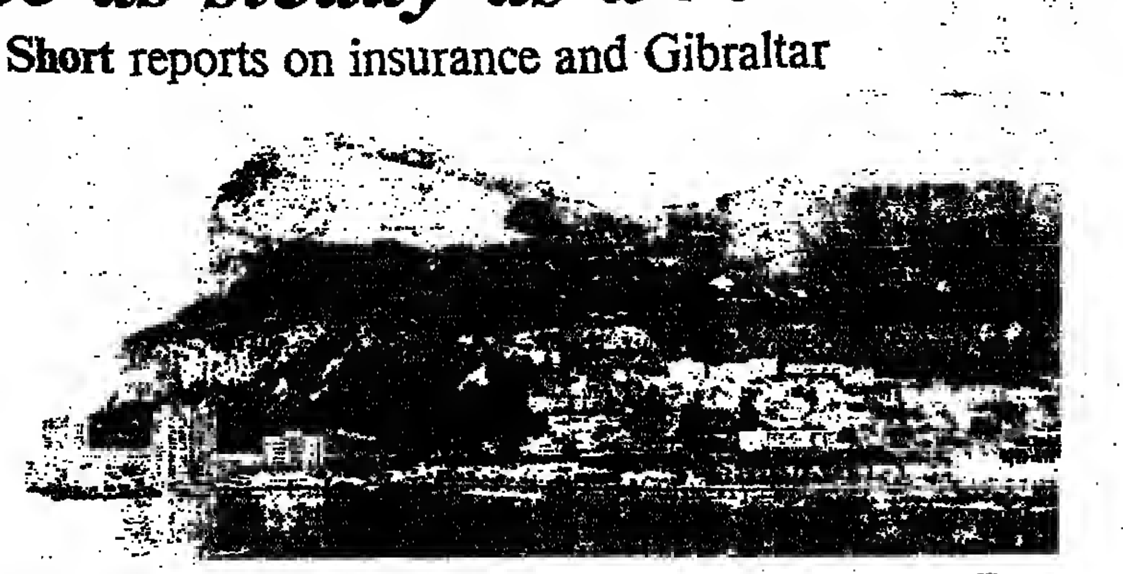
In its annual report for 1981 published this week the Council lists those bonds which have been negotiated and where sums of money are available to holders. The Council says it is seeking additional payment from the German Government to former holders of Young loan bonds (1930).

Holders of sterling denominated Chinese bonds will find little cheer in the report. Certain British claims against China are now being registered but this excludes bonds denominated in non-Chinese currencies. The Chinese Bondholders' Committee says the council "which has kept in close contact with the Foreign and Commonwealth Office, understands that when the information has been processed . . . details of all claims, including bonds, will be presented to the Chinese Government for discussion."

If you have queries on sterling bonds issued by overseas institutions or Governments, the address of the Council of Foreign Bondholders is 9-12 Cheapside, London EC2V 6AB (01-236 3641). After April 26 the address will be, 35 High Street, Bromley, Kent BR1 1EL (01-464 0308).

Not quite as steady as a rock

Eric Short reports on insurance and Gibraltar



OVER THE past few months, four new life companies have appeared on the UK marketing scene. They all offer lump sum bond investment with attractive yields, with some of the products guaranteeing all or part of the yield.

But the companies—Cavendish Life, Winchester Life, Signal Life Eurolife Assurance are not UK-registered life companies in spite of the English sounding names of the first three. They are registered in Gibraltar, even though they intend to sell their life contracts primarily in the UK.

Indeed, with a population of only 27,000, Gibraltar would be hard put to support one life company from its home market.

So investors lured by the figures in the advertisements, or the patter of the salesmen, should stop and ask questions before considering the contracts.

Life assurance selling in the UK enjoys considerable freedom from direct authoritative control, a freedom non-existent in most other countries. Instead the authorities protect the consumer by controlling the permissible investments of life companies, by checking that advertisements are not misleading and by monitoring the financial health of life companies.

But these indirect controls can be largely circumvented by an offshore life company, registered in a country with relaxed controls. This is the situation with Gibraltar-based companies.

Insurance companies in Gibraltar have to provide annual statements of their financial position—a revenue account and a balance sheet—audited by an accountant who is a member of a professional body, with the same recognition as that accorded by the Department of Trade under the Companies Act. New UK life companies have to submit quarterly returns and annual new business plans.

There must be an actuarial valuation of the company's financial position once every five years by an actuary who is a Fellow of the Institute of Actuaries or the Faculty of Actuaries or other recognised body. The UK is moving on to annual valuations this year in line with EEC practice.

The auditor and actuary cannot be changed without prior approval of the authorities.

The Gibraltarian Finance and Development Secretary stated that the colony concentrates on an initial vetting process of the promoters and the managers of the life company at the time of registration. It has no power to investigate life companies between submissions of accounts, nor any power to remove a chief executive as not being fit and proper—as the DoT can.

There is no control over investments and most important there is no protection for policyholders should the life company fail as there is in the UK with the Policyholders Protection Act. The other key point is that the life company pays no tax.

These life companies simply act as post offices. The investor sends his money to Gibraltar. From there it is usually sent to the investment managers, often back to the UK. The marketing of the company's products is carried out by UK subsidiaries. However, the assets are held in the name of a trustee, acting as custodian.

Thus the consumer's interests lie with the company, its auditors, the trustees and the actuary. They have a strong moral responsibility to UK policyholders far above their legal functions.

So interested investors should first find out the names of the auditors, trustees and the consulting actuary, if this is not already given. Then he should follow this up by getting a detailed account of how the custodian intends to control the investments and how the actuary intends to perform his functions.

Most products being offered should warn the investor that the underlying investments are risky. Signal offers a bond investing in gilts and gold production in Canada. Cavendish offers a bond investing in gilts and oil production in the U.S. Winchester offers a currency and precious metals investment bond. But Eurolife offers a straight five-year guaranteed income bond yielding 12 per cent tax free to basic rate payers a full point above the best from a UK five-year bond. So how does Eurolife check out?

Its auditors are Gibraltar-based. Its trustees are Barclay Bank International (Gibraltar management) and its actuaries are Rodney Barnett and Company.

The investments will be in Eurosterling securities—at present the two FFI 1987 issues—and are managed by International Trust Company of Iberia, the Gibraltar subsidiary of International Trust Group, a consortium of banks including Barclays, Royal Trust of Canada and the Bank of New York.

A good pedigree. But the trustees hold the assets in trust and have power to continue to hold such assets until all the related bonds have been redeemed.

The actuaries intend to treat this as a UK company, with full access to all financial transactions and information check-out of the terms of the contract and annual valuations. The actuaries have a professional responsibility to their actuarial body and could be called to account for their actions should matters go wrong.

It is possible to give Eurolife a clean bill of health on this information—so necessary for a guaranteed income bond where the prime guarantee must be the life company. But such a vigorous check needs to be carried out for every company. Gibraltar is identified with solid rock; but it also has a few apes.

Sent to Coventry

HOW CAN a cut in interest rates be good news for both savers and borrowers? Well, the Coventry Provident appears to have done its sums and come up with the answer it can. Others, however, might put a different interpretation on this building society's rate changes.

According to the Coventry Provident: "From April 1, when most other building societies, banks and other savings institutions will be reducing the interest rate paid to savers, Coventry Provident will be increasing the 'Extra Interest' rate paid on Extra Interest Shares." What the society has actually decided to do is increase the differential over the ordinary share rate for sums under £5,000. The actual return, however, will be lower on April 1 than at present due to the fall in the ordinary share rate. Depositors will be April Fools if they think otherwise.

At the moment Coventry Provident offers two rates with extra interest to savers. People investing over £5,000 have been earning 11 per cent on their money which is 1½ per cent above the ordinary rate. Those with less than £5,000 are currently receiving 10¾ per cent which is 1¼ per cent above ordinary rate. From April 1 all sums above £500 will qualify for the 1½ per cent premium which will then amount to 10.25 per cent net, the equivalent of 14.64 per cent to standard rate taxpayers.

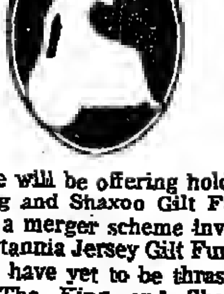
If bank and money market rates remain unchanged by April 1 this means the extra share account is more attractive than money market funds and seven-day bank deposits to standard rate taxpayers.

Coventry Provident argues that "the real advantage is that savers can get their money back straight away without the bother of lengthy notice period." What it does not say is that there is a 28 days loss of interest for immediate withdrawals. Even with this penalty, the shares are relatively attractive.

Each building society now offers a confusing array of options for savers so it pays to check around. You may find you can get a higher rate from the Coventry Provident if you are prepared to give longer notice period. For example, the Woolwich pays a 2 per cent premium on a minimum of £500 provided three months' notice is given but no interest is paid on the amount to be withdrawn during the notice period.

R.B.

Britannia shops in Jersey



SOMETHING IS stirring in the normally placid world of offshore gilt funds. Britannia Group of Unit Trusts, part of Britannia Arrow Holdings, has bought the fund management subsidiary of King and Shaxson, the discount house.

Britannia Arrow, resurrected from the collapse of Slater Walker Securities, is best known for its unit trusts. The group has £530m under management and is seeking further expansion.

For an initial sum of £200,000, plus a deferred amount payable on the value of funds under management on June 30, Britannia has acquired King and Shaxon's gilt-edged funds and its interest in FIRST Managers, which runs a more broadly based bond fund with an international portfolio of government securities.

King and Shaxon was the first discount house to test the market with a gilt-edged offshore fund back in 1971. Its performance has been nothing to shout about as director James Parrish admits. "We've been in the middle of the performance tables," he says.

In contrast Britannia's offshore gilt-edged fund has been among the top handful in the sector's performance tables. "Over the past two years and three months the Britannia fund had done better than the King and Shaxon fund by about 7 per cent," says Parrish.

Performance apart, the volume of King and Shaxon's funds under management never really grew sufficiently large to make the enterprise cost effective. Announcing the disposal, King and Shaxon, which had £30m under management, said: "The group decided to withdraw from investment management business as it is increasingly difficult for investment services to be profitable with relatively modest sums under management."

The past few years have witnessed the gradual withdrawal of most of the discount houses from gilt-edged fund management. The sole exception is Allen Harvey and Ross (now part of Cater Allen) which not only remains in the field but in October increased its exposure by acquiring the funds of another discount house, Clive Discount.

Allen Harvey and Ross Gilt Fund was the best performing Jersey gilt fund in 1979 and 1981. A staff of six manage the group's two Jersey funds which total around £18m. Mike Lawrence, the managing director of Allen Harvey and Ross Investment Management says the group "is quite committed to these funds. We also manage gilt portfolios for building societies and overseas banks. Total funds under management are near £100m."

Last June Allen Harvey and Ross considered buying King and Shaxon's investment management subsidiary but tentative inquiries fell on stony ground. When the group took over Clive Discount gilt-edged funds it did not agree to employ the staff. This stance on redundancies would probably have been a stumbling block in any serious acquisition talks with King and Shaxon.

As it turned out Britannia agreed to buy the fund management subsidiary, lock, stock and staff. "In a growing business" argues Britannia director Peter Baker "there are career opportunities for everyone."

Baker says Parrish has "the important task of building up First International Reserves Securities Trust." After the acquisiton of King and Shaxon's fund management, Britannia owns 54 per cent of the trust's holding company with the rest of the equity in the hands of European banks. Funds under management total about £1.5m.

As for the rest of King and Shaxon's fund management activities, the future is less clear. By far and away the largest fund was King and Shaxon Gilt Fund Jersey with £20m of investors' money. Unit holders will be offered free switching facilities into Britannia's own Jersey gilt fund.

Baker adds "it is highly likely that we will be offering holders of King and Shaxon Gilt Fund Jersey a merger scheme involving Britannia Jersey Gilt Fund." Details have yet to be thrashed out. The King and Shaxon fund pays gross while Britannia's investors receive their dividends net.

It is too early to say what fate awaits the gilt-edged fund in Guernsey. But it looks as if the Isle of Man fund, which is a mere tiddler, will be left unchanged. Baker says "an Isle of Man fund makes a useful addition to our range."

Even before the King and Shaxon acquisition, Britannia was the largest management group in Jersey with funds of about £100m and a staff of 36. The acquisition has now consolidated this position.

Britannia is currently shopping around for other investment management groups. Baker says "we are interested in expanding through organic growth and acquisitions. I'd like to buy another investment management group this week provided the price is right but there are none on the market."

R.B.

YOUR SAVINGS AND INVESTMENTS—2

Rosemary Burr looks at a new way to buy British

The Framlington Eight

IF YOU believe 1982 is the year to buy British, then recovery funds may be the place for some of your money. This week Framlington, one of the industry's most successful unit trust groups, launched its eighth fund.

To begin with the Recovery Trust will primarily be invested in the UK. Antony Milford, the trust's manager and a partner at Laurence Prust and Co. the brokers, says "about 75 per cent will be in the UK and a quarter may well go into the U.S." He thinks it is a "little early" to go into Australia but will be keeping a watchful eye on progress in the Antipodes.

Milford won his laurels managing two of the group's funds, International Growth and Income. Both trusts ended in the top five in their respective sector performance tables over the year to January 4 1982, according to Money Management.

Most recovery funds are full of UK shares but Milford expects Framlington's portfolio to vary over the business cycle. "At certain points in the economic world cycle we will, for example, want to be in commodity shares. At the right point in time we will move into Australian mining shares rather than Rio Tinto Zinc." According to Milford: "Up to a third of the portfolio could be overseas."

The idea behind the fund is simple but picking recovery shares is less easy. Milford says, "we are not just going to buy a share because it is depressed but because it has genuine recovery potential." The group admits not all the chosen companies will pick themselves up off the floor but argues "a wide spread of recovery situations" enable a unit trust to "shrug off the occasional casualty."

Forty-year-old Milford believes "there will be a lot of recovery opportunities over the next few years. Some will be individual companies, others whole sectors emerging from recession. I hope to take advantage of both for a good spread of shares with possibilities of exceptional growth."

Although a lot of recovery stocks tend to be high yielding, the trust will be geared to capital growth. The estimated gross starting yield is 4 per cent. There is a 5 per cent initial charge and the minimum investment is £500.

The annual management fee on the trust will be ¾ per cent, in line with the fee on the group's other seven funds. This is about ¼ per cent lower than the management fee on most unit trusts. Tim Miller, a director of Framlington, explains that the group has been able to keep its management fees down as it does not pay the 1¼ per cent marketing allowance to intermediaries.

Framlington with £64.5m under management is a lone voice among the bigger unit trust groups in its staunch objections to coughing up marketing allowances to salesmen. Although Miller accepts this may have slowed the group's growth, he thinks investors have benefited.

The lower management charges are a direct benefit and have helped Framlington win its spurs in the industry's performance tables. The group won the accolade of number one management group in 1981 from Money Management this month.

Miller also thinks the absence of huge inflows and outflows of funds as intermediaries switch clients in bulk has aided the group's performance. "Only one fund has ever had to liquidate a unit," says Miller.

As to the size of the new fund, an in-house sweepstake shows quite a wide range of expectations among the group's staff. Officially, Milford says "we will be very disappointed if we do not get £2m. If market conditions remain much as they are now, we hope for considerably more."

Framlington has pretty tough competition in the shape of M&G's Recovery Fund which was the top performing UK growth fund over both the seven and five year periods to February 1982 according to Money Management. Miller says "if we do half as well as M&G, we will have done very well indeed."

Mr Anthony Milford

FRAMLINGTON FUNDS UNDER MANAGEMENT

Year	£m
1975	3.1
1976	4.2
1977	9.8
1978	21.8
1979	30.
1980	43.9
1981	64.5

What the Butler sees

THOUSANDS OF depositors who took advantage of United Dominions Trust's generous terms under its so-called average rate scheme are likely to be feeling unhappy this week. For the finance house has just restarted the scheme after a six months lapse and has cut the return by the equivalent of 1 per cent.

Under the scheme, depositors benefit from wholesale money market rates in the same way as they do with money market funds. In the past UDT paid depositors ½ per cent above Longtal rate during the preceeding week adjusted to the nearest ¼ per cent. The Longtal rate is the average of dealing rates for seven days' notice funds in the local authority market. The rate is calculated for UDT each Monday morning by brokers Butler Till.

The scheme proved tremendously popular and deposits rose to more than £100m. Last September UDT decided to stop accepting new deposits for the scheme. Treasurer Simon Ball explains that UDT "had more seven-day money as a percentage of our total book than we wanted."

MONEY MARKET FUNDS

Name	Current Interest Rate %	Interest paid	Period of deposit	Minimum deposit
UDT	13⅞	Quarterly	7-day	£5,000
Simco		Half yearly	7-day	£1,000
Tyndall*		Quarterly	7-day	£2,500
Western Trust†	13⅛	Monthly	One month	£10,000

* Chequebook also provided. † As at 25.3.82. The rate changes daily and is ½ per cent beneath London inter-bank rate on day money deposited.

This week UDT has introduced a revised version of the scheme which is less attractive to depositors than the original but still offers more competitive rates than building societies or seven-day bank deposits to the standard rate taxpayer. The plan is to pay depositors ½ per cent beneath Longtal. The rate this week is 13⅞ per cent, which is marginally below the rates available on the money market funds from Tyndall Group and Simco. The Tyndall Fund has the added attraction of a chequebook.

Interest is paid quarterly so existing depositors will notice the change between April 19 and July 19. Ball says "we expect withdrawals just because people are no longer getting a premium. On the other hand we are hoping to attract a reasonable flow of funds." All in all, he will be satisfied if the scheme treads water. "We will be very pleased if after the changes we come out at £100m again."

The minimum deposit remains at £5,000 but the maximum has been increased from £100,000 to £150,000. Withdrawals must be for at least £1,000. Although interest is paid quarterly, depositors now have the option of rolling this up.

Rosemary Burr

THE INVESTMENT TRUST TABLE

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

as at close of business on Monday 22nd March 1982 (cols. 1–5); *as at 26th February 1982* (cols. 6–10)

Total Assets less current liabilities (1) £ million	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	Geographical Spread: UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %	Gearing Factor (10) base=100	Total Return on N.A.V. over 5 years to 26.2.82 (11) base=100
	VALUATION MONTHLY									
206	Alliance Trust	284	5.7	399	52	36	6	6	96	182
163	British Invest. Trust	184	6.9	255	63	30	6	1	88	167
55	First Scottish American Trust	125	5.5	166	59	29	11	1	101	177
88	Great Northern Invest. Trust	137	6.9	178	64	16	9	9	94	184
106	Investors Capital Trust	105	4.3	149	41	36	17	6	98	166
7	New Darien Oil Trust	60	2.4	71	2	85	–	13	78	†
65	Northern American Trust Co.	135	5.3	160	58	29	12	1	105	161
24	River Plate & General Invest. Trust	111	7.1	153	74	10	–	16	98	236
15	xSave & Prosper Linked Invest. Trust	110	–	199	100	–	–	–	158	173
170	Scottish Invest. Trust	130	5.1	181	41	36	10	13	97	177
74	Scottish Northern Invest. Trust	89	5.5	131	62	33	2	3	107	198
130	Scottish United Investors	50	4.6	69	32	41	10	17	104	168
68	Second Alliance Trust	240	5.5	341	51	36	6	7	97	183
4	Shires Invest. Co.	129	13.1	153	100	–	–	–	89	173
108	United States Debenture Corporation	116	7.3	155	71	29	–	–	101	†
	Baillie Gifford & Co.									
160	Scottish Mortgage & Trust	151	5.0	211	42	35	14	9	101	174
78	Monks Invest. Trust	69	5.0	95	33	38	18	11	103	175
16	Winterbottom Energy Trust	53	1.8	61	7☐	87	–	6	91	140
8	Baillie Gifford Japan Trust	77	0.0	84	–	–	100☐	–	70	†
4	Mid Wynd International Invest. Trust	53	4.6	70	22	41	24	13	91	†
	Baring Bros. & Co. Ltd.									
53	Outwich Invest. Trust	64	4.9s	89	61	15	11	13	110	187
34	Tribune Invest. Trust	96	4.5	134	40	31	12	17	100	172
	Drayton Montagu Portfolio Mngt. Ltd.									
9	British Indust. & Gen. Invest. Trust	133	5.4	171	46	15	22	17	97	153
4	City & Foreign Invest. Co.	77	0.0	92	2	98	–	–	81	†
60	Drayton Commercial Invest. Co.	151	5.2	215	52	21	14	13	91	157
84	Drayton Consolidated Trust	161	7.0	238	58	16	14	12	94	152
12	Drayton Far Eastern Trust	62	2.9	71	8	5	39	48	83	176
95	Drayton Premier Invest. Trust	193	7.9	300	60	17	12	11	91	147
17	English and International Trust	116	6.7	157	61	18	11	10	95	163
7	Montagu Boston Invest. Trust	55	2.7	69	10	90	–	–	61	†
18	xCity and Commercial Invest. Trust	282	–	340	95	4	1	–	142	†
16	xDualvest Ltd.	460	–	563	75	7	2	16	126	†
14	xFundinvest Ltd.	124	–	170	93	4	2	1	126	†
43	xTriplevest Ltd.	370	–	494	73	10	1	18	134	204
	East of Scotland Invest. Managers Ltd.									
61	Aberdeen Trust	143	6.1	180	77	20	1	2	102	†
	Edinburgh Fund Managers Ltd.									
78	American Trust	61	4.9*	85	43	58	–	1	100	187
20	Crescent Japan Invest. Trust	260	0.8	300	–	–	100	–	98	190
16	General Scottish Trust	60	7.4	80	62	24	7	7	102	197
3	New Australia Invest. Trust	76	2.6	68	–	–	–	100	100	†
11	New Tokyo Invest. Trust	102	0.0	113	–	–	100	–	95	†
10	Wemyss Invest. Trust	370	7.7	444	55	27	–	16	81	156
	Electra House Group									
130•	Electra Invest. Trust	56	7.6	72	55	36	–	9	107	211
363	Globe Invest. Trust	138	7.8	186	62	23	4	11	107	196
45	Temple Bar Invest. Trust	120	9.4	153	93	5	–	2	97	165
	F & C Group									
33	Alliance Invest. Co.	89	4.3	120	58	17	16	9	108	231
32	Cardinal Invest. Trust	131	5.4	179	60	17	5	16	107	209
6	F & C Eurotrust	51	4.1	63	15	2	–	83	111	122
258	Foreign & Colonial Invest. Trust	61	4.8	88	51	22	17	10	109	197
43	General Investors & Trustees	169	5.3	232	55	15	5	25	108	†
	Fidelity International									
1	xCystic Fibrosis Research Invest. Trust	99	–	134	91	3	4	2	155	†
	Robert Fleming Investment Mngt. Ltd.									
37	Capital & National Trust	172	5.8*	238	70	15	5	10	99	189
17	Claverhouse Invest. Trust	127	7.4	171	99	–	–	1	99	256
15•	Crossfriars Trust	118	7.9	154	99	–	–	1	92	223
10	Fledgeling Investments	61	5.1	80	88	10	–	2	101	351
61	Guardian Invest. Trust Co.	111	6.0	157	73	10	11	6	100	191
48	London & Holyrood Trust	159	5.2	218	67	19	4	10	99	184
34	London & Montrose Invest. Trust	118	4.6	142	59	23	6	12	95	182
64	London & Provincial Trust	170	4.5	202	59	25	4	12	97	176
135	Mercantile Invest. Trust	57	6.6	63	51	30	7	13	97	206
52	Sterling Trust	221	6.1	305	66	20	8	6	99	170
41	Technology Invest. Trust	158	3.9	205	60	29	10	1	99	189
98	United British Securities Trust	161	6.2	221	48	30	6	16	91	179
30	United States & General Trust Corp.	306	5.4	886	73	15	5	7	96	185
	GT Management Ltd.									
32	Berry Trust	156	1.6	183	41	23	19	17	98	279
1	xChild Health Research Invest. Trust	146	–	146	45	14	22	19	93	†
8	GT Global Recovery Invest. Trust	70	1.5	82	51☐	23	7	19	83	†
20	GT Japan Invest. Trust	290	2.2	317	10☐	2	84	4	84	212
11	Northern Securities Trust	242	2.6	307	46	24	19	11	93	263
	Gartmore Investment Mngt. Ltd.									
10	xAltifund Ltd.	191	0.3	232	92	2	3	3	123	269
32	Anglo-Scottish Invest. Trust	67	5.1	90	54	33	4	9	104	192
37	English & Scottish Investors	60	4.3*	84	43	29	13	15	105	213
11	Group Investors	102	4.3	133	50	41	6	3	97	215
7	London & Gartmore Invest. Trust	114	1.9	141	37	21	9	33	117	172
11	London & Lennox Invest. Trust	44	6.1	62	61	27	–	12	100	174
29	London & Lomond Invest. Trust	103	5.5	145	69	27	2	2	104	198
15	London & Strathclyde Trust	72	4.4	89	60	31	–	9	106	188
20	Meldrum Invest. Trust	75	6.6	99	95	2	–	3	100	247
	Gartmore Investment (Scotland) Ltd.									
96	Scottish National Trust	98	5.1	139	59	22	7	12	106	178
25	Glasgow Stockholders Trust	74	4.5	98	58	29	–	13	109	177
	John Govett & Co. Ltd.									
115	Border & Southern Stockholders Trust	81	4.9	111	56	17	17	10	99	188
16	General Stockholders Invest. Trust	158	3.7	208	45	38	10	7	96	178
87	Lake View Invest. Trust	137	4.0	180	46	13	23	19	102	192
85	Stockholders Invest. Trust	134	4.0	180	30	54	9	7	96	183
	Hambro Group									
30	Bishopsgate Trust	85	5.7	123	60	29	7	4	99	202
6	City of Oxford Invest. Trust	108	7.4	140	99	1	–	–	101	250
73•	Hambros Invest. Trust	85	5.0	123	49	43	5	3	108	239
8	xRosedimond Invest. Trust	143	–	179	100	–	–	–	–	344
	Henderson Administration Ltd.									
172	Witan Invest. Co.	69	4.3	96	50	25	20	5	103	202
30	Electric & General Invest. Co.	110	3.3	158	52	32	9	7	96	192
9	Greenfriar Invest. Co.	180	1.8	234	46	24	19	11	105	246
9	Lowland Invest. Co.	90	6.9	114	91	–	–	9	100	252
	Philip Hill (Management) Ltd.									
14	General & Commercial Invest. Trust	220	6.1	260	70	25	–	5	97	194
30	General Consolidated Invest. Trust	118	7.7	159	67	26	–	7	98	204
178	Philip Hill Invest. Trust	132	6.6	179	74	22	–	4	95	219
8	Moorgate Invest. Trust	154	8.9	179	88	8	–	4	96	291
45	Nineteen Twenty-Eight Invest. Trust	87	7.3	119	57	38	–	5	93	170
	Industrial & Commercial Fin. Corpn. Ltd.									
14	London Atlantic Invest. Trust	91	7.5	124	75	12	–	13	91	239
9	North British Canadian Invest. Co.	114	6.0	140	94	2	–	4	96	364
	Ivory & Sime Ltd.									
91	Atlantic Assets Trust	56	0.6s	74	55	42	–	3	91	360
122	British Assets Trust	95	6.8	123	36	56	–	8	103	187
58	Edinburgh American Assets Trust	94	1.3	116	19	68	7	6	115	223
41	Independent Invest. Co.	128	0.8	147	27	70	–	3	94	†
6	Japan Assets Trust	18	0.0	20	8☐	–	92	–	66	†
38	Viking Resources Trust	72	1.6	86	9	88	–	3	108	261
	Kleinwort Benson Investment Mngt. Ltd.									
36	British American & General Trust	52	6.9	70	54	31	10	5	94	†
	Kleinwort Benson (continued)									
39	Brunner Invest. Trust	75	5.7	102	50	33	9	8	97	†
44	Charter Trust & Agency	77	6.4	106	62	25	8	5	99	†
54	English & New York Trust	96	8.2	132	54	32	7	7	95	†
6	Family Invest. Trust	106	8.1	136	98	1	–	1	94	†
5	Jos Holdings	72	6.8	93	77	12	8	3	99	220
9	London Prudential Invest. Trust	104	6.7	142	68	21	7	4	97	222
69	Merchants Trust	98	6.1	134	57	27	10	6	92	191
	Lazard Bros. & Co. Ltd.									
63	Raeburn Invest. Trust	161	6.1	230	58	30	6	6	94	170
49	Romney Trust	116	5.4	161	30	41	18	11	101	169
	Murray Johnstone Ltd.									
64	Murray Caledonian Invest. Trust	76	7.5*	102	60	22	9	9	101	191
96	Murray Clydesdale Invest. Trust	62	4.0*	93	45	36	13	6	102	175
26	Murray Glendevon Invest. Trust	139	2.8*	183	51	33	10	6	104	184
31	Murray Northern Invest. Trust	77	3.4*	107	30	29	20	21	99	177
109	Murray Western Invest. Trust	80	4.4*	117	43	40	12	5	99	177
	Rivermoor Management Services Ltd.									
134•	London Trust Co.	74	6.7	104	63	19	–	18	118	242
16	Moorside Trust	68	7.4	82	52	39	1	8	93	180
42	River & Mercantile Trust	124	8.6	170	74	9	6	11	98	219
	J. Rothschild Invest. Management Ltd.									
182•	RIT Ltd.	378	5.3	476	60☐	22☐	7☐	11	72	264
28	Ailsa Invest. Trust	42	5.4	55	49	28	15	8	83	†
9	Precious Metals Trust	70	0.0	76	37☐	41	–	22	60	†
	J. Henry Schroder Wagg Group									
30	Ashdown Invest. Trust	185	5.1	266	50	40	8	2	92	182
40	Broadstone Invest. Trust	194	5.5	282	48	42	6	4	96	187
66	Continental & Industrial Trust	262	6.3	376	53	44	–	3	100	175
40	Trans-Oceanic Trust	76	4.6	108	37	46	10	7	92	183
	Stewart Fund Managers Ltd.									
99•	Scottish American Invest. Co.	135	4.7	177	52	34	5	9	85	231
4•	Stewart Enterprise Invest. Co.	32	1.8	36	73☐	15	–	12	45	†
	Throgmorton Invest. Management Ltd.									
13	xThrogmorton Secured Growth Trust	134	–	202	100	–	–	–	–	165
67	Throgmorton Trust	116	7.4	153	99	1	–	–	103	304
	Touche Remnant & Co.									
152	Atlas Electric & General Trust	89	5.3	132	63	20	7	10	102	220
44	Bankers' Invest. Trust	86	6.5	112	72	18	5	5	101	196
22	CLRP Invest. Trust	107	4.7	139	61	16	5	18	106	203
42	Cedar Invest. Trust	106	6.2	125	70	11	6	13	92	191
56	City of London Trust	82	7.7	113	94	3	–	3	90	212
43	Continental Union Trust	166	5.4	224	56	29	4	11	102	153
251	Industrial & General Trust	74	5.8	108	66	17	7	10	106	205
52	International Invest. Trust	100	5.9	140	72	15	8	5	101	180
73	Sphere Invest. Trust	158	5.7	227	65	22	8	7	108	195
51	Trust Union	78	5.6	110	63	20	8	9	105	207
93	Trustees Corporation	68	6.2	98	74	12	4	10	106	214
	Williams & Glyn's Bank Ltd.									
3	Atlanta, Baltimore & Chicago	67	2.1	88	15☐	85	–	–	93	142
3	West Coast & Texas Regional	83	2.3	96	12☐	88	–	–	95	135
	VALUATION THREE MONTHLY									
	City Financial Administration Ltd.									
26	"Investing in Success" Equities	259	2.8	318	32	40	20	6	123	211
31	General Funds Investment Trust	278	4.1	368	44	17	30	9	117	223
	East of Scotland Invest. Managers Ltd.									
15	Dominion & General Trust	270	5.7	337	60	33	4	3	97	170
36	Pentland Invest. Trust	165	5.5	213	59	28	5	8	101	179

NOTES TO THE TABLE

† No data.
x Split capital trust (capital shares).
* Applies to Ordinary "A" Ordinary only.
s Does not include special dividend.
☐ More than one quarter in non-equity investments.
• More than 20% in securities or other assets included at directors' valuation.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.

(a) Cols. 1, 3 to 5 — Figures supplied by Wood Mackenzie & Co., members of The Stock Exchange. Col. 1 to nearest £1m; Cols. 3 & 5 to nearest penny per share.

(b) Cols. 1, 5 — Statistics simulated to date shown based on latest valuations supplied by the companies and made available to The Stock Exchange. In these valuations listed securities are valued at mid-market prices and unlisted at directors' valuation. All revenue account items are excluded.

(c) Col. 4 — Based on last declared dividend or firm forecast, plus tax credit, to nearest 0.1 per cent.

(d) Cols. 6 to 9 — Percentages of total assets less current liabilities. Currency balances are allocated to the relevant geographical sector.

(e) Col. 10 — The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'Investment Trusts today'.

(f) Cols. 5, 11 — Prior charges and preference share capital deducted at market value; convertible stocks deemed to be converted; warrants treated as not exercised.

(g) Col. 11 — Figures supplied by AITC Statistics Service, to nearest one per cent. A full description of the information shown in this column is given in the Investment Trust Year Book. In summary, the figures show the percentage changes in the net asset values over the period assuming that dividends paid, excluding tax credit, were reinvested in the underlying assets of the company.

INDICES OF FIVE YEAR TOTAL RETURN

General Trust Average	198
F.T.-Actuaries All Share*	228
*Standard & Poors Composite	89
*Capital International World	99

*Adjusted for exchange rate changes.

EXPLANATORY NOTES

Use of total return statistics and care in interpretation

The total return statistic, which adjusts the net asset values for dividends, excluding tax credit, distributed during the period, enables companies with substantially different capital growth and dividend policies to be more fairly compared. A period of five years provides a good indication of trends and, in normal circumstances, should cover a traditional bull and bear market in the major stock markets.

Each total return figure is indexed from a base of 100 at the commencement of the period and records the movement between two particular dates. Any particular total return figure may thus be affected by exceptional factors, operative at either the base date or at the final date, which were influencing the stock market generally or a sector of the market in which the company was interested. The geographical distribution of a particular company's portfolio should be considered in assessing its relative performance.

While the total return statistic, if used with care, provides a valuable guide to past experience which can assist comparison of one company with another, or the trust movement with other investment media, it should always be borne in mind that past performance is not necessarily a guide to future achievement.

The total return statistic for split capital trusts is not comparable with that for other companies because of the difference in capital structure. The split capital trusts have therefore been identified in the Table and are not included in the General Trust Average index figure.

Calculation of NAV

In order to avoid a plethora of figures and to facilitate comparability, the statistics of net asset value have been calculated on a uniform basis which may, in the case of a particular company, differ from the corresponding figures in its Annual Report and Accounts.

The net asset value is calculated on the "going concern" basis, ie with prior charges deducted at market value, as it is believed that this basis is the most widely accepted for comparative purposes.

PROPERTY

A good time to buy London luxury homes

BY JUNE FIELD

SOME FOUR YEARS ago this column posed the question "Just how many expensive new and renovated properties in London do we need to satisfy demand?" It went on to query whether the demand was still buoyant, and where was it coming from?

Much the same questions could be asked today, with more and more central London properties at top prices coming on to the market, and in the main, finding ready buyers. "The last three months have been the best we have had for a long time," insists Mr Timothy Simond who runs Mistral, the Burnsall Street, King's Road, Chelsea, estate agents.

"We are selling the interesting and the unusual, in a price range generally £100,000 to £235,000-plus. People are realising that these sort of properties will never be so cheap again. I am confident that this year will be a good one, with the movement in the market continuing."

Current offerings include a distinctive five-bedroomed restored house with guest accommodation, decorated Oriental-style, in Glebe Place in the heart of Old Chelsea, £295,000 freehold; and an elegant two-bedroomed apartment with a large living-room opening on to a pretty patio, £89,500 for a 99-year lease in Warwick Square, SW1. Mistral's speciality is selling some of the large old London houses which have been rescued from the ravages of multi-occupation, and turned back into elegant family homes by Mrs Davina Phillips' company, Davina Taylor Developments.

Davina Phillips started in a modest way in 1970 by buying a small property in Hampstead with £5,000 drawn from her bank, borrowing another £2,500 to complete the purchase. When she had almost finished decorating it (at the cost of another £3,500), a couple saw it and offered her £15,000. She then took on a larger loan, and bought a bigger neo-Georgian house overlooking Kenwood Park, and repeated the process, buying for £54,000 and selling for £75,000. "I felt that there was an untapped market of clients who wished to live well in London, but who did not have the time to convert their houses to their needs, or to spend time away from their business making decisions about redecoration."

Her philosophy is to provide a good standard of renovation, and quality furnishing. "I love to move walls and expand a house where necessary," she says. "Every house has a purpose in life, which gives it character. I like to choose places which I feel I could live in myself, and they all tend to have large studios which are wonderful for entertaining, light walls, lots of beamed ceilings and natural wood, brass and old furniture.

Davina's latest project in Mulberry Walk, SW3, whose stylish remodelling more than lives up to this description, has just been sold to "a Rolling Stone," in the region of £275,000. Miss Avril J. Butt of De Groot Collis of Knightsbridge, through whom the place was sold, confirms that the luxury London market has been steady for some months "completely going against general market conditions, but it is the prime and the good that sells." Next week De Groot Collis and Sturgis and Son are launching another top-market development at 99, Park Lane, W1.

Aylesford, another King's Road agent, has achieved considerable success in The Boltons area of London. Director Mr Andrew Langton says that the sought-after Gilston Road houses with their handsome gardens, the elegant tree-lined Tregunter Road, and the attractive houses in The Boltons themselves, are all being shown to clients with renewed interest. A Greek family bought 27 Gilston Road about 18 months ago for just under £400,000; 13 Tregunter Road, with its indoor swimming pool, was sold to a Nigerian, and last summer an American businessman bought number 37. Now Aylesford has the White Lodge, 12 Gilston Road, double-fronted period house surrounded by large gardens, for sale at £650,000.

In sought-after Chester Square, Mr John Green of City and St James's Securities recently finished another of his spectacular remodelling projects. One of the rare "key" houses in this most desirable of Belgravia squares, on a Grosvenor Estate lease of about 60 years, the detailed floor plan of the seven-bedroom, six-bathroom property featured in the sales brochure shows a Rolls-Royce and Mini in the garage, expected accoutrements of someone who can afford £975,000. Mr Green's projects are generally in the top bracket (last summer one of the elegant apartments in two of his refurbished period houses in Eaton Place was on offer for £485,000). Agents for the Chester Square house are W. A. Ellis of Brompton Road, and Mistral.

Hampton and Sons of Arlington Street, SW1, report that 60-70 per cent of purchasers in the higher bracket are from overseas, covering a wide spectrum of nationalities, including interest from Hong Kong, Singapore, Malaysia, Australasia and the Middle East, as well as Western Europe and the U.S.: "For instance, the strength of the dollar against the pound during the summer months last year substantially reduced the price of properties sold to Americans and other nationalities from countries with dollar-related currencies," says Mr Adrian Wright.

An example of this thriving international market is six large flats that Hampton's have recently sold to overseas buyers in Grosvenor Square at prices between £250,000 and £685,000. In one case recently, the sale of an apartment in excess of £650,000 involved a contract race between two purchasers, while in two new developments, The Terraces and Prince Regent Court, in St John's Wood, there have been 15 sales in the £200,000 to £400,000 bracket.

The two developers are London and Leeds Investments, a wholly-owned subsidiary of the Ladbroke Group, and a banking and development consortium from Kuwait.

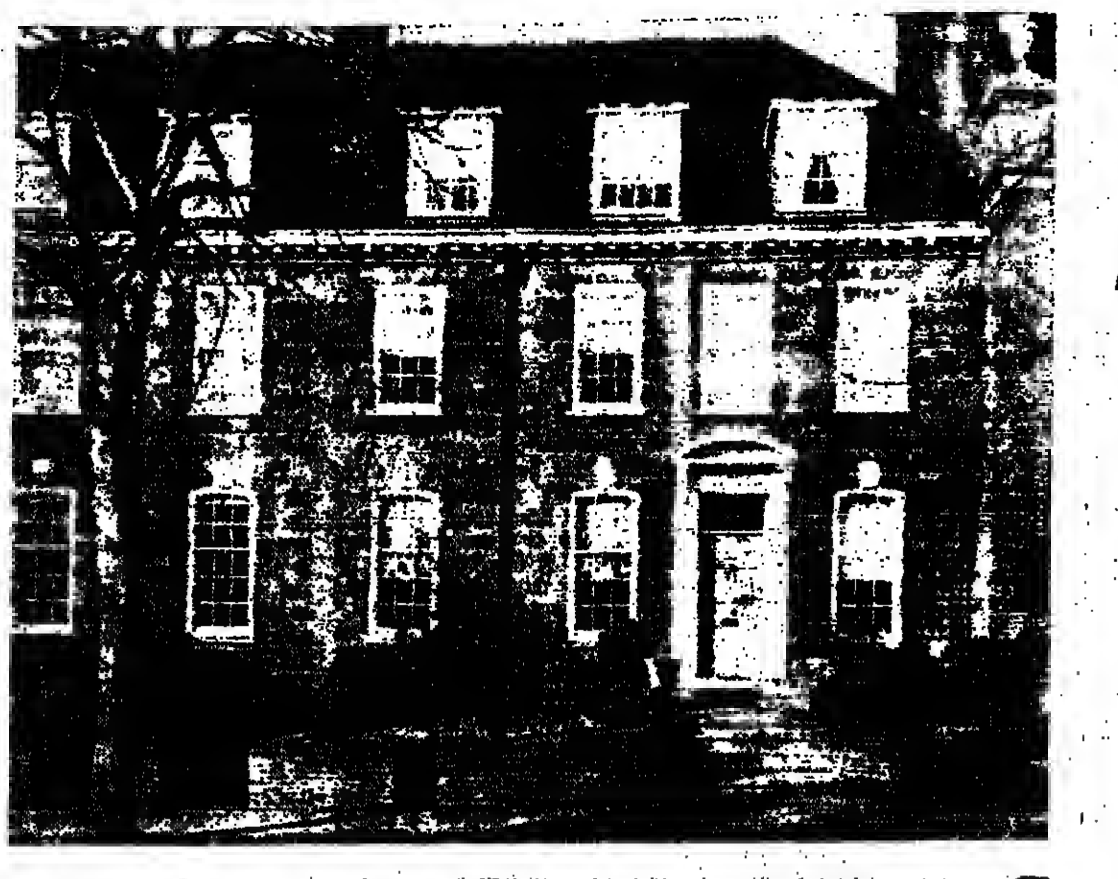
South Lodge houses in Trevor Place, Knighsbridge, one of the few prime new developments that central London has seen for a number of years, first marketed by Hampton's in 1979, is now at last virutally sold out. Sales have just been agreed on two of the remaining three houses in excess of £500,000 each.

Chestertons' Kensington office also report an increasingly lively market for the larger and well-situated houses in their area. Says Mr David Pallot: "Around the £½m mark, buyers have been found in days and weeks rather than months, providing vendors have not been seeking patently excessive prices."

As many of their current offerings have price tags of well over £1m, one might well be tempted to ask how much more excessive can one get?

The latest units to go on the market are those at 21, Kensington Court, W8, a listed period house which has been converted into four apartments and a penthouse. The developers are Abbey Properties, part of Abbey Ltd, a Dublin-based group with a turnover last year of over £59m, and a pre-tax profit of nearly £3.6m. Abbey Properties are currently building about 600 houses a year in this country which sell at an average price of £30,000, and were responsible for a special Solar Energy House at the Milton Keynes "Homeworld" 1981 exhibition.

"The redevelopment of 21, Kensington Court is their first venture into the central London residential market, and their subsidiary, T. Headley, has carefully supervised the conversion work," says Mr Michael Harper of Chestertons, 116, Kensington High Street, W8, who are marketing the apartments at prices from £110,000 to £128,500. The second floor apartment and the penthouse have already been sold to Norwegian companies.



This 5 bedroom, 2 bathroom house in Ilchester Place, Kensington, W.14, backing directly onto Holland Park, with an open aspect towards the Orangery, is £650,000 for a lease to June 24, 2055, plus carpets, curtains and kitchen equipment. Details David Pallot, Chestertons, 116 Kensington High Street, London, W8, and Knight Frank and Rutley

This 3 bedroom, 2 bathroom home in Cathcart Road, SW10, near The Boltons, has been described as "London's prettiest house." Details Timothy Simond, Mistral, Blenheim House, Burnsall Street, King's Road, London, SW3 (01-351 3131), who is asking £220,000 for the freehold

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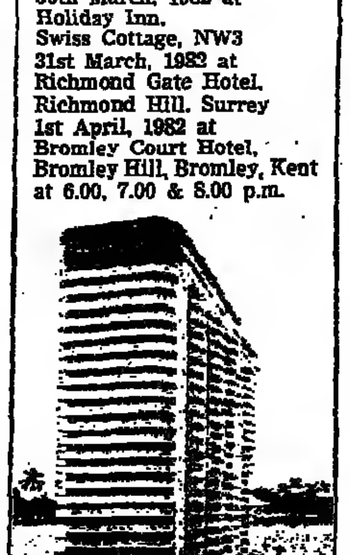

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LEISURE

It all depends on what you mean by golf . . .

From P. R. to Gleneagles

TRAVEL

ROGER PAUL

IT ALL DEPENDS, as Professor Joad might have said, on what you mean by holiday golf.

For instance, I once played 18 holes before breakfast, got round in 70 and felt so pleased and proud of myself that no-one could do anything wrong for the rest of the trip. The fact that the course measured only 4,000 yards and was in the back garden of the La Toc Hotel in St Lucia was wilfully submerged beneath the fact of a net 58.

That, probably, is playing golf on holiday. Holiday golf is altogether more serious and maybe for that you need the challenge of a great golf course.

They are a wee bit thin on the ground in the Caribbean, and non-existent in St Lucia. But that is not to say that there are not any merely good courses elsewhere in that crescent of beautiful islands.

Jamaica, for instance, has Tryall Golf Club, which I know has a magnificent front nine. I cannot tell you about the homeward half because before we could play it a rainstorm of epic proportions engulfed us and confined our match to a handily situated halfway hut. It sold Red Stripe beer and by the time was ready to let us continue, the Red Stripe was not.

You could have a *proper* golf holiday in Jamaica. There is a choice of first-class golf at Tryall, Half Moon and Runaway Bay to keep you occupied for a week or so and it would, in any case, take you and your fourball that length of time to fathom the best way — indeed any way — of playing the back nine at Rose Hall golf club.

The course is carved out of a tropical forest hill side and the design of the holes is dictated by huge crops of rock, waterfalls, sharp drops of landscape and the densest of vegetation. One par four demands a five iron off the tee, followed by the same club again; another is a four iron and a seven iron and one of the par fives is, to be safe, an eight iron off the tee, a four wood and another eight iron.

It's a good idea to choose your season if you are going to the Caribbean. The last time I was there it was mid-April and it rained every afternoon around 4 pm. However, before that it was beautiful and so hot that shorts were almost a necessity. The problem with that is that unless you have had the forethought to use a solarium and literally get your legs brown before you go you will inevitably suffer with sunburned backs of knees.

Some more handy hints. Take a neckerchief, a couple of floppy hats so that the ears are covered, supply of light coloured gloves —the dark ones don't show the sweat and can get soaked and useless without you realising it —and a plentiful supply of balls. Off the fairway in most parts of the Caribbean and it's jungle and lost ball.

Puerto Rico is firmly in the Caribbean but the golf is rather more Americanised. There are four excellent courses, designed by Robert Trent Jones; two at the Dorado Beach Hotel and two more at the Cerromar Beach. They are testing enough off the back tees but there are resort tees which make the courses enjoyable.

As you might expect, there is plenty of water and the professional, Chi Chi Rodriguez no less, sells ammunition that has been recovered from the lakes and the jungle. He calls them "experienced balls," they are often all but new and sell at 75 cents each. Rather like the "'gator bait" balls in Florida.

One hole, the 13th on the East course at Dorado, is particularly productive for Chi Chi. It is a par 5 which features two lakes which have to be carried, with the sea at the back of the green. There is no point in not attempting the carry off the tee at least once and if, like me, you actually get over the water you are likely to be so elated that you top your second, a fairway wood inevitably, into the next lake.

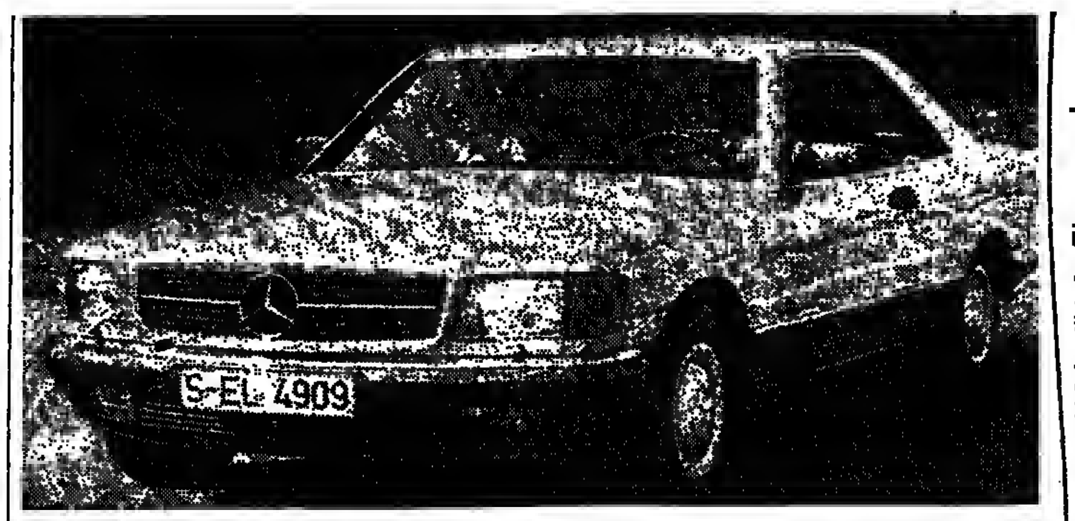
Dorado Beach, both as a hotel and a golf course, was a revelation and now that British Caledonian have started direct services to the island I can see it attracting hordes of golfers who want continuous holiday golf, with plenty of variety—particularly given that the standard of food, accommodation and above all service which is so frequently lackadaisical in the tropics, is first class.

No one has ever accused Gleneagles of being tropical and its beauty is of an entirely different type. It is, nevertheless, one of the outstanding places in the world to play golf and the new company, Gleneagles Hotels Ltd, that has taken over from British Rail, are intent on improving it further.

They are restoring the King's Course to the original design created by James Braid, which involves stretching the lay-out by some 300 yards. This in turn means that the bunkers and mounds, the copses and crests, which Braid so cunningly contrived for the equipment of his time, will come back into play.

They are also spending a total of £3½m on renovating the hotel, adding a leisure complex. They will be offering golf packages, both with and without instruction from professional Ian Marchbank and if the thought of flying all the way to the Caribbean is just too tedious, Gleneagles is an excellent alternative.

● British Caledonian fly to Puerto Rico on Thursday, Saturday and Sunday and an APEX ticket is £336 return. The Dorado Beach Hotel has a special "two together" offer from April 15 to October 1 with green fees, a host of sports facilities, all food, and wine with dinner inclusive, five days and four nights, $351 per person, Ring 01-730 8687. Both British Airwsys and Air Florida fly to Jamaica and the Jamaica Tourist Board is at Jamaica House, 50, St James's Street, London SW1 (01-499 1707). The Gleneagles Hotel is at Auchterarder 2231.



The new Mercedes-Benz 380SEC. It annihilates distance and always takes good care of you

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MOTORING

STUART MARSHALL

IT ALL happened so neatly that it could have been stage managed. The morning was misty and there were traces of black ice here and there as I pointed the Mercedes-Benz 380SEC towards Dover and the Townsend-Thoresen ferry to Calais.

The road ran straight through tall woods. I had just finished telling my wife, who sat beside me, that she couldn't be in a safer car than the ABS anti-lock braked Mercedes. And then, with a momentary flick from dipper to full beam, I pulled out to overtake a fat yellow Post Office van.

As I pulled alongside, I suddenly saw the Fiat; a 127 that the van had been tail-gating so closely there was no way I could have known it was there. And the Fiat had its winker going, indicating a turn into a farm entrance on its offside.

There was only one thing to do; brake hard. I did—and the big Mercedes slowed as if a giant were pulling it back on a string. No drama, no tyres fighting for grip on the slippery surface. Just smoothly powerful braking. The speed fell away as though the car were rolling on dry concrete. There couldn't have been a better demonstration of the safety value of ABS brakes. They are standard on the £28,700 500SEC, but a £830 extra on the 380SEC. Money that, in my view, could not be better spent.

When I first drove the new Mercedes coupes last autumn in Germany, I said that I thought they were the best cars of their kind in the world. A bold claim? On the basis of brief experience, I suppose so, but I wouldn't go back on it. Driving to Geneva and back in a 380SEC merely confirmed my view.

There is something special about the 380SEC when you get behind the wheel and turn the ignition key. A robot arm buzzes forward bearing the seat belt clip, which in pillarless two-door bodies is usually awkward to reach.

This is one small example of the Mercedes philosophy that all problems can be solved by the application of research, development and sound engineering. Another is the door switch controlling the electric seat adjustment. It is not one of those anonymous things you fiddle with until you find out how it works but a miniature bas relief of a seat. You push at the cushion or the backrest until the position of the real seat is exactly how you want it.

More important, of course, is the way Mercedes have "dried out" their 3.8-litre and 5-litre V8 engines. On a 1,273-mile Calais-to-Calais round trip I averaged 22 mpg, normally cruising on the autoroute at a tolerated if slightly illegal 90 mph. There is no difference in the level of wind, road or mechanical noise from 70 mph to 110 mph. The only constraint on journey times is one's conscience. Harder driving in mountainous country dropped the mpg figure to 19.1 but a gentle 55-60 mph loaf on the final leg (we had a lot of time in hand) produced an astonishing 26.75 mpg.

The secret of the 380SEC's small thirst is what Mercedes-Benz describe as their energy concept, which is an assault on fuel consumption from all directions. The body shape is slippery, for minimal aerodynamic drag at high speed. The gearing is ultra-high (30 mph per 1,000 rpm) and the four-speed automatic transmission always seeks the highest possible range. In traffic, when a V8 is normally a fuel swiller, the 380 idles so slowly that I had to reassure myself from the rev. counter needle that it was still running.

A side effect of this high gearing is that the 380 does not feel at all tigerish, though its maximum of about 130 mph should be enough for anyone.

It isn't perfect. The seats, though infinitely adjustable and well shaped, are very firm. After 500 miles one has no aches or pains but the initial impression is not one of yielding luxury. Anyone considering the purchase of a 380SEC or 500SEC—and they went in the showrooms this week—should be warned. If you tell the salesman you want the extra, you get orthopaedic seats, which are even harder than standard.

The suspension and tyres (Michelin XWX, rated for continuous use at 130 mph-plus) convey a greater feeling of intimacy with the road surface than a Jaguar or Rolls-Royce owner is used to. Normally this is reassuring rather than objectionable. But on some older stretches of the autoroute, beaten into corrugations by juggernaut lorries, the 380 SEC felt almost square-wheeled on occasion.

Lords v. Commons

BRIDGE

E. P. C. COTTER

THE ANNUAL BRIDGE match for The Guardian Trophy between the House of Lords and the House of Commons was once again staged at the Inn on the Park, where great hospitality was extended to players and guests alike.

The Lords were the ante-post favourites, and they justified this confidence in them by emerging the winners by 1,920 points after 23 boards of duplicate with rubber bridge scoring.

I was acting as scorer in one room, and watched this deal which certainly did not lack incident:

N
♠ A 4
♡ 10 2
◇ Q J 9 7 4
♣ K 10 9 3

W
♠ 6 2
♡ Q J 9 8 6 5 3
◇ 6
♣ Q 6 5 2

E
♠ Q 10 9 8 7 3
♡ A K 4 3
◇ A 8
♣ 4

S
♠ K J 5
♡ 7
◇ K 10 5 3 2
♣ A J 8 7

With North-South vulnerable, South dealt and opened the bidding with one club. What, I thought, is he going to rebid if his partner bids one heart? West passed, and North replied with two clubs, which really was taking a pessimistic view of the position. East competed with two spades—to double was a better course of action—and our intrepid South now bid three diamonds, a reverse bid for which he is hardly qualified. West passed, North raised to four diamonds, and South—you've guessed it—went five. This was doubled by East, and all passed.

West led the six of spades, and South won East's Queen with his King, at once returning a diamond to the Knave. The Ace won, and was followed by King and Ace of hearts. The second heart was ruffed by the declarer, which was an unexpected blow for the noble duke sitting East, and the contract now depended upon finding the club Queen. This was not a difficult task. East is known to have started with six spades and two diamonds, and can hardly hold fewer than four hearts—with seven hearts West might have found his voice—and South finessed against West, and made his contract.

The next hand did not work out so favourably for the Commons:

N
♠ A Q 9 2
♡ Q 6 4
◇ K 5
♣ J 10 9 4

W
♠ 8 7 4
♡ 9 5 3
◇ Q 10 7 6 4
♣ 8 7 2

E
♠ K 3
♡ 8 7
◇ A 9 3 2
♣ A Q 6 5 3

S
♠ J 10 6 5
♡ A K J 10 5 2
◇ J 8
♣ K

At a love score North dealt and bid one spade, East overcalled with one no trump, South said two hearts, North raised to three hearts, and South bid the game.

West chose to lead the spade eight, dummy played low, and the King won. East then cashed the Ace of clubs, dropping the declarer's King, and exited correctly with the three of spades. South won in hand, drew trumps with Ace and Queen, and led the Knave of clubs, intending, presumably, to take a ruffing finesse against East, but when East played low, he ruffed. He then crossed to the table with a spade, and led the ten of clubs. East again played low. South thought for a moment and, his nerve failing him, ruffed again, and was forced to go down.

It was essential to discard a diamond on one of the club leads—there was no way in which he was going to make a trick in diamonds, if he was forced to open up the suit himself.

If North had played the hand in spades, the problem would not have arisen, and ten tricks would have been gathered in without difficulty.

CHESS

LEONARD BARDEN

AT THE END of last year's world title match in Merano, Viktor Korchnoi looked a tired man feeling his 50 years. Anatoly Karpov, 19 years younger, glowed with health and basked in anticipation of a continued long reign as champion.

But their first tournament performances following their one-sided match have provided the reverse of expectations. Karpov, apparently warned by doctors not to travel to Argentina due to nervous exhaustion, struggled all the way in Mar del Plata and only rose above a 50 per cent score in the final couple of rounds. Korchnoi stayed in Southern Europe where he has won two tournaments in buoyant style.

Korchnoi's victories were achieved against opposition notably weaker overall than his rival faced in South America: but 15 points out of 18 represents high class play even against second-line grandmasters. At Banco di Roma in February, Korchnoi lost to Mariotti of Italy but still shared first prize: Korchnoi and Pinter 7 out of (9), Mariotti 5½, Benko and Marovic 4½, Tatai 4, Robatsch and Zichichi 3½, Soos 3, Unzicker 2½.

Last week Korchnoi went to the annual Lugano Open, a 180-man Swiss system event where his rivals included four GMs and 20 IMs. The interesting feature at Lugano was that Korchnoi and Boris Spassky played in the same tournament for the first time since their ill-fated 1977 match. Then Spassky introduced the controversial practice of exiting off-stage when it was his own turn to move and analysing from the giant demonstration board. Korchnoi protested violently at the time but used similar tactics in the latest Karpov match.

Korchnoi v Spassky 1977 ended with both players, previously lifelong friends, vowing to have nothing more to do with each other. At Lugano, Spassky at first continued the vendetta, refused a handshake, and in the early rounds requested the controller to sit him at a different table from Korchnoi. Then they were paired, Korchnoi won a long game, and Spassky extended his hand.

Results at Lugano were Korchnoi 8 out of 9, Nunn 7, Spassky and five others 6½. John Nunn, Britain's No 1, drew with Korchnoi in the final round, went through unbeaten, and gained confidence for next month's Phillips and Drew Kings where he will play Spassky.

Another significant result at Lugano was the performance of an England junior team who travelled with the help of Lloyds Bank, the Slater Foundation and the Friends of Chess. Two 17-year-old, Bowden and Lane, both internationally unknown, totalled six points, just behind Spassky. Both are among the 25 England schoolboys who will meet Karpov on April 13 in a curtain-raiser to the Phillips and Drew.

Though Black's defence is poor, this week's game shows clearly that Korchnoi is back on song.

White: V. Korchnoi (Switzerland). Black: S. Tatai (Italy). Queen's Gambit (Banco di Roma 1982).

1 P-QB4, P-K3; 2 N-QB3, P-Q4; 3 P-Q4, P-QB3; 4 N-B3, N-B3; 5 Q-B2 (less analysed than the Meran variation 5 P-K3 or the Anti-Meran 5 B-N5); QN-Q2; 6 B-N5, P-KR3; 7 B-R4, PxP; 8 P-K4, P-KN4.

A normal move in the Anti-Meran, but here a serious weakness; better P-QN4 at once.

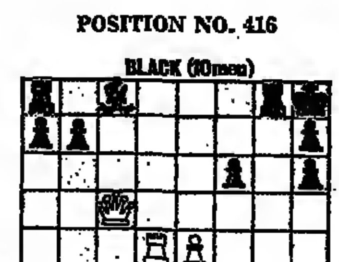
9 B-N3, P-N4; 10 O-O-O, N-N3; 11 P-Q5! KPxP; 12 N-Q4, B-Q2? (better B-QN2); 13 P-K5, N-R4 (N-KN1 saves the piece but leaves White in control); 14 P-K6! NxB (or PxP; 15 Q-N6 ch); 15 PxB ch, QxP; 16 RPxN, O-O-O; 17 P-R3, P-QR4; 18 B-K2 K-N2.

Black, with three pawns for a piece, is not badly off on a bare head-count: but the static extra pawns are poor defence for his king as Korchnoi quickly demonstrates.

19 N(Q4)xNP! PxN; 20 NxQP, Q-B1; 21 Q-B3, B-B4; 22 QxP! NxN; 23 B-B3, K-B3; 24 P-R4, PxP; 25 QxP ch, K-N3; 26 BxN, BxP; 27 Q-N4 ch, K-B2; 28 KR-B1, B-K6 ch; 29 K-N1, R-Q2; 30 QxP ch, K-Q1; 31 B-B6, Resigns. If RxR ch; 32 RxR ch followed by 33 R-Q7 ch. White wins the queen or mates.

POSITION NO. 416

BLACK (10men)



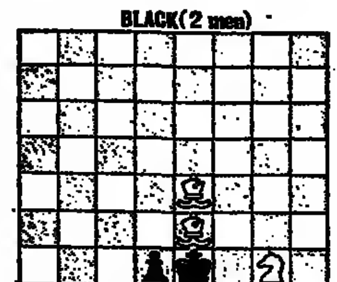
WHITE (10men)

J. Plaskett v. K. Bowden, Arc Young Masters 1982. Black (to move) is behind in development and his queen is attacked. If 1...Q-R8 ch; 2 R-Q1 and White maintains the pressure.

What should Black play, and how should the game go?

PROBLEM No. 416

BLACK (2 men)



WHITE (5 men)

White mates in two moves, against any defence (by W. A. Shinkman).

Solutions Page 14

TRAVEL

HOTELS

EDUCATIONAL

LEGAL NOTICES

No. 00839 of 1982.

IN THE HIGH COURT OF JUSTICE. Chancery Division, in the Matter of YORK HOUSE TRADING LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition was on the 18th February, 1982 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the Capital of the above-named Company from £1,000,000 to £250,000 by returning capital which is in excess of the wants of the said Company.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr Justice Mervyn Davies at the Royal Courts of Justice, Strand, London WC2 on Monday, the 5th day of April, 1982.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an order for the confirmation of the said reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the under-mentioned Solicitors on payment of the regulated charge of the same.

Dated this 27th day of March, 1982.
MESSRS. GOULDENS
of 118 Chancery Lane,
London WC2A 1LJ
Solicitors for the above-named Company.

PERSONAL

COMPANY NOTICES

CORRECTED NOTICE

TAUERNAUTOBAHN AKTIENGESELLSCHAFT

U.S.$30,000,000 8¼% Guaranteed Bonds 1987

Citibank, N.A., as Principal Paying Agent, announces that Bonds for a nominal value of U.S.$3,000,000 were purchased for the March 15, 1982, Redemption.

The principal amount outstanding after March 15, 1982, is U.S.$27,000,000.

Citibank, N.A., London

BOOKS

All smiles

BY JOE ROGALY

Clinging to the Wreckage
by John Mortimer. Weidenfeld and Nicolson, £8.50. 200 pages

Then there was this English actress, who was around and about with her English husband while Mr Mortimer was working at the Boulogne studios, Paris, shooting *A Flea in Her Ear* for 20th Century Fox. The actress absented herself from her husband for one night while Terence Rattigan was visiting town.

She would not explain her night of absence to her husband; but he eventually forgave her, they were reunited, and off they went with Mr Mortimer to dinner at "Marius et Janette."

"Half-way through the evening," [writes Mr Mortimer,] "the errant wife leant across the table and spoke to me, in ringing tones and with a strong English accent, words which must have taken her a considerable time to prepare. 'Cher John,' she said, 'Hier soir j'ai fucké le chauffeur de Terence Rattigan dans le Bois de Boulogne.'

Her husband had the good manners, or good sense, to treat this as a remark couched in such idiomatic French that he was quite unable to understand it. He decided to order the Sole Meunière, and the dinner proceeded to a peaceful conclusion."

You will find at least 200 yarns of this kind in *Clinging to the Wreckage*, taking Mr Mortimer's average at about one per page. Perhaps that is all that needs to be said about his book, end it is praise enough, for chances to smile, with an occasional out-loud guffaw thrown in, are given us by few contemporary writers. Wodehouse and Thorne Smith are dead; at least John Mortimer is coming along to keep us smiling through. His principal object, using a phrase of his own, seems to be: "an admirable determination to entertain."

We admire it the more when we relate it to that essentially English phenomenon, the propensity to make light of the heaviest burden of sorrow. In this week, when Mr Mortimer and his works are everywhere to be found, it is hardly necessary to rehearse the story of his blind father, who refused to acknowledge that he was blind; but continued, cheerfully, determinedly, with flashes of an idiosyncratic and illuminating wit, to practise his advocacy in the Divorce Courts, and record the cultivation of his garden at the family home. His wife—the eyes, pen, and prop of this remarkable man — continued long after his death to behave as though he had not died; just as in life the spoken assumption was that there was no impediment to his sight.

Admiration no doubt ceases with the faction which opposes everything Mr Mortimer appears to represent. It recalls that without him and his erstwhile contemporaries—Kenneth Tynan plus the other "permissive" figures of the early 1960s—the present freedom to publish more or less anything, and say or simulate more or less anything on stage, would not exist. Is the fact mere coincidence that the recent TV adaptation of *Brideshead Revisited*, with its flashes of the human anatomy, was written by Mr Mortimer? If your heart is with Mrs Mary Whitehouse, then Mr Mortimer, author, playwright, advocate, Q.C., and defender—in the highest courts—of rude books, is your living enemy: the soft liberal - progressive-permissive who started, or helped to start, the rot.

Alternatively, as one soft liberal-progressive television arts critic put it on the box the other night, you might find this a "wise and funny book." Or, on the third hand, you might wonder about Mr Mortimer's famous strength—which is, of course, the strength of the English: strength symbolised by his remarkable parents and by national behaviour during the second world war—the ability to keep cheerful, to call Hitler a rabbit, to make a laugh of it, whatever the horror.

Olivier as Mortimer senior

For it could be that in peacetime this strength is a fatal weakness. Is it really of such great moment that we can now print improper jokes? Is it really conducive to effective thought that we insist on not admitting our national blindnesses, but rather show courage by keeping busy, and outwardly happy? If life is regarded as a brief flicker to be enjoyed if possible, but at the least endured, then perhaps that is correct.

Across the water, where outwardly light-hearted liberal intellectual clowns are not held in such high regard as they can be over here, this attitude is incomprehensible. It is *pas serieux*. It is not Mr Mortimer's fault that so much English public life is simply not serious. It shaped him, at Harrow, and Christ Church, and the Temple. We are excellent at fun. But are we good at anything else? I don't know. Let's forget it. Turn instead to page 35, and find out why the school Chaplain said, deeply shocked, to the boy Tainton, "Really my boy, you should save that up till you are married. . ."

Mac's back

BY MALCOLM RUTHERFORD

Harold Macmillan: A biography
by Nigel Fisher. Weidenfeld and Nicolson, £12.95. 404 pages

Almost the most telling sentence in this thoroughly enjoyable book is the first: "Harold Macmillan was born at his parents' home in Cadogan Place on February 10, 1894."

It is the sweep, the span of time that matters. Here is a man who remembers the 60th anniversary of the reign of Queen Victoria, who was left for dead in the first world war, almost killed in the second, survived to become Prime Minister, and who is now the greatest living Tory. The story is so good that it would be almost impossible to tell it badly, though Macmillan made a pretty fair attempt himself in his six volumes of memoirs.

Nigel Fisher restores the human and the political touch, but even he has to admit to one disappointment. He had hoped that this would be a definitive biography, but in the end he agreed with his subject that the more personal elements should be omitted.

Still, the tale is worth telling again for, even in political terms, Macmillan is not a simple character. In the 1930s, as the MP for Stockton-on-Tees, he was well on the Left of the Tory Party. Clement Attlee has been quoted as saying that if it had not been for the war, he would have crossed the floor, joined the Labour Party and become leader.

After the war, when the Tories were in opposition, he toyed with the idea of a Conservative-Liberal merger and wrote an article for the Daily Telegraph headed "The case for alliance or fusion." Yet, as a Minister, the Leftwards or Liberal leanings were not always quite so apparent. It was Macmillan who said before Suez that he would rather pawn the pictures in the National Gallery than accept humiliation at the hands of Nasser. Then, when the Suez expedition failed because of lack of U.S. support and the effects on the pound, he was the first to lead the retreat. Clearly there are shades of opportunism.

The story of his premiership unfolds almost like classical drama: three and a-half years of unprecedented success, including the 1959 election victory, followed by three years of gradual decline engulfed by such scandals as Vassall and Profumo.

In the early period he was more concerned with foreign affairs: for example, restoring Anglo-American relations. In the latter, he turned more to the domestic economy, and it is here that some present Tories cannot easily forgive him. Macmillan saw the resignation of one Chancellor (Thorneycroft) because the Minister wanted stricter control of public expenditure than the PM would allow, and sacked another (Selwyn Lloyd) because Lloyd and some officials were against reflation. It was because of the Prime Minister's economic profligacy, say some Tories, that the rot set in. Certainly no one has yet satisfactorily explained how the halcyon days of the late 1950s gave way so quickly to the disillusion of the early 1960s.

Macmillan: a full life

To crown it all, Macmillan became ill and resigned on the very night after he had decided to carry on, and all that in the middle of the party conference. The Tory succession has never been the same since.

What this book shows is the extent of the change over which he presided, both in foreign affairs and at home. Macmillan's secret, I think, was that he outsnobbed the Tory Party. Leftish by inclination, he had no problem in buttering up the Right and he enjoyed both roles.

Here he is talking to the author about Mr Heath and Mrs Thatcher: "Ted was a very good No. 2 (pause). Not a leader (pause). Now you have a *real* leader (long pause). Whether she is leading you in the right direction. . ."

Bellowing in dark

BY GEOFFREY MOORE

The Dean's December
by Saul Bellow. Secker and Warburg/Alison Press. £7.95. 312 pages

"Although portions of this novel are derived from real events . . ." says the foreword. Exactly. The customary rubric is more than usually definite—and with reason. Like his hero, Dean Albert Corde, Saul Bellow is a Professor in Chicago. Like Corde, he is married to a Romanian scientist, with whom he travelled to Bucharest to visit her sick mother. Like Corde—if all the other Bellow heroes are anything to go by—he sees the "enemy" as "the vulgar American mind," which he confronts by invoking Vico and all the heady names of "Western Civ."

Is this, then, a *roman à clef*? No, not as such. It is merely Bellow setting, not for the first time, a bit near the wind.

Basically, it is *The Sun Also Rises* method—taking events and situations which must be very real, even painful, and, like an intellectual Hemingway, using them without fear or favour. Difficult this, because, as the tyro so quickly learns, to transmogrify personal situations and real events requires not only a kind of ruthlessness but also professionalism of the highest order. Story-telling about Ruritania is a whole lot safer.

But that, of course—except, perhaps, for *Augie* and *Henderson*—is not Bellow's line. He is in that honourable but bleak pantheon of American novelists who, from Hawthorne on, have used the novel to debate what for them are issues of the highest importance. Over the years, however, the development of technique has allowed artists of this kind to incorporate that later characteristic of American fiction: sensuous immediacy. The sights, the sounds, the smells of dreary, bureaucratic, frightening Romania—and Chicago, too for that matter—ameliorate the polemical part.

The story opens with Irish-Huguenot-American Corde in Bucharest in December, mewed up in a prototype of all the cabbage-smelling, over-furnished apartments of Mittel Europa.

Minna, his wife—still a Romanian citizen—has brought him on a dangerous visit to her terminally ill mother, Valeria, who is being kept alive in a Party hospital run by a colonel of the Secret Police. There is a sick humour about this sad and bizarre situation which Bellow obviously relishes. But it is, of course, Corde that he is chiefly interested in.

Corde has very much on his mind the Chicago scene from which he has been plucked. One of his students has fallen, or been pushed, to his death through the window of his own third-floor apartment. Corde has relentlessly pressed for the conviction of the suspected murderers: a black gangster and a black prostitute. What is more, he has offended liberals and reactionaries alike by writing an article for Harper's about corruption in his own city. So there are three Decembers: the realistic one in Romania, the spiritual one in Chicago, and the metaphorical one in the Dean's life. Despite the brilliant, if dispiriting, Bucharest opening, the heart of the novel is in Chicago. And for Chicago read "the Western World," for this is Bellow's excursion into Spengler territory. If American democracy means drugs, rackets, muggings, murders, Iron Curtain totalitarianism is hardly paradise on earth.

In Saul Bellow the American novelist has come of age, supplying the national need for what D. H. Lawrence called "subterfuge," yet also providing a Dickensian cast of characters and a richness of writing which is at the same time precise. Whereas the opening smacks of Le Carré, the end is pure symbolism. It is preceded by a fearful blow: Dewey Spangler, the prestigious journalist and a former High School friend, has criticised Corde's inordinate distress "at the present socio-political scene." Corde loses his job. He goes with Minna to Mount Palomar and, in the high hush of the Observatory, has a sense of something bright and welcoming out there. Could it be that the only relief from the stark alternatives of Bucharest and Chicago lies in the pathway to the stars?

End of road

BY ISABEL QUIGLY

Blind Understanding
by Stanley Middleton. Hutchinson, £7.50. 160 pages

Nellie Without Hugo
by Janet Hobhouse. Cape, £6.95. 192 pages

Yesterday's Streets
by Silvia Tennenbaum. Gollancz, £8.95. 528 pages

A Woman of Her Times
by G. J. Scrimgeour. Michael Joseph, £8.95. 569 pages

Stanley Middleton has been turning out novels at the rate of one every 15 months or so for the past 25 years, steadily adding to the weight of an impressive, unvarying achievement. His technique has been polished, his style made more functional, transparent and effective, but essentially the novels haven't changed in manner—or even matter—since the early days. The social level is now a little higher, the sophistication of characters (and readers, as he seems to envisage them) rather greater; but we are still taken into e provincial English world observed with a quiet, patient, unwavering eye which is neither fond nor cynical, soft, nor unduly harsh.

It is e world conjured with total honesty; described with precision and severe economy. Increasingly, Middleton pares down, says less and means more, implies rather than describes. His people are seldom likable, seldom sympathetic: one seldom warms to them or wishes one knew them. Mr Middleton is a remarkable example of the artist who achieves artistically exhilarating results with materials which are morally neutral, dingy, or even unattractive.

It follows that people, subject, plot, matter little. Treatment is all; and the treatment of the characters in *Blind Understanding* is masterly. The action in this short novel covers a day in the life of e 70-year-old retired solicitor; but, like other novels covering a single day (*Ulysses*, come to that), it involves much more; evoking the pest, moving sideways and outwards; building up a social community and, more important, a world of the spirit, a sense of minds, personalities.

In the morning the old man goes to a funeral; in the evening his wife goes out to play bridge. Death touches each end of the day; they drink cocoa and go up to bed. The rest is reminiscence, a skilful interweaving of past and present, anecdote and feeling, memory and regret.

Here is a world without fantasy, dour and cheerless by many people's standards; certainly charmless; lacking heights and depths, without poetry or sweetness or plenitude of feeling or response to others. But it is a central world, many people's; gritty and true.

Janet Hobhouse's *Nellie Without Hugo*, a first novel, deals in a world far from all this, one of charm and warmth, of feeling and analysis, the likable and the lovely. The characters are a beautiful, Europeanised mother, and her three attractive daughters, in New York; loving and pleasant to one another, all, to varying degrees, in love or just out of it. Well-heeled and charming, they live (in spite of successful careers: Nellie in the art world, Rebecca, a lawyer), on feeling; one married, one not; one half-in, half-out of e marriage, a pointer and warning to the others; all uneasily aware that the biological age for childbearing is now overtaken much faster than the socially acceptable age for marriage, affairs or a successful career.

Nellie's English husband Hugo goes to Africa for seven weeks, leaving a vacuum soon filled by Connaly, Nellie's first lover; and Nellie works herself up into a belief that Hugo is going to leave her (on no evidence). Connaly disconcertingly, leaves instead; and Hugo's telegram arrives to say he is returning . . .

It is impossible to describe the intricacies of the brief action. What counts, as in Stanley Middleton—though so differently—is its treatment. Of course there is a danger, as in his charmlessness, in so much charm, but Janet Hobhouse writes with so much intelligence and grace (an unlikely-yoked pair of attributes) that one sails through some very closely-written pages as if they were much easier going than they are. This is a difficult, subtle book with a fast, funny surface and a huge degree of promise.

Janet Hobhouse: charming and alarming

Back to the plodders, and to everyday time and space, with Silvia Tennenbaum's *Yesterday's Streets*. This is e more impressive novel than her equally long first one, *Rachel, The Rabbi's Wife*. Published so close in time to Elaine Feinstein's *The Survivors*, it inevitably suffers from comparison; since it covers much the same period—this century, to the post-Holocaust years—in a similarly rich, non-orthodox Jewish family. But where *The Survivors* made satisfying patterns out of apparently random events, *Yesterday's Streets* is merely a family saga, often likable and interesting; but pedestrian.

G. J. Scrimgeour's *A Woman of Her Times*, puffed by Carl Foreman as "one of the great panoramic novels of the '80s," a first novel of almost engaging awfulness, also uses real, recent people — Korda, the Oliviers, other showbiz figures — in relationships with fictional ones, giving a peculiar sense of mixed substances. The woman of the title moves from luxurious life in Ceylon around the time of the First World War, to England in the Depression, Hollywood in the late '30s, and London in the Blitz. Here is a tale of excruciating silliness, speckled with small mistakes of tone and fact in dealing with English life.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	9.50	9.75	11.00	11.75 6 years. Sixty-plus, 10.75 1 year high option, 10.25-11.75 1-5 years open bondshare
Aid to Thrift	10.50	10.75	—	—
Alliance	9.50	9.75	11.00	11.75 5 y., 11.25 4 y., 11.25 £500 min. 2 m. not. or £100+60 d. int. pen.
Anglia	9.50	9.75	11.00	12.00 6 yrs., 10.75 1 mth. not. int. loss
Bradford and Bingley	9.25	9.75	11.00	10.75 1 month's notice deposit
Bridgwater	9.50	9.75	11.25	11.75 5 yrs., 10.55 2½ yrs.
Bristol Economic	9.75	10.50	11.00	9.75 3 months' notice end 10.75 on balance of £10,000 and over. Escalator shs. 10.25-11.75 (1-5 y)
Britannia	9.50	9.75	11.00	11.25 4 yrs., 11.00 2 months' notice
Burnley	9.50	9.75	11.00	11.75 5 yrs., 10.75 3 months' notice
Cardiff	9.50	10.50	11.50	—
Cardiff	—	11.00	—	Share a/c bal. £10,000 and over
Catholic	9.50	10.00	11.00	11.25 Extra shares 3 months' notice
Chelsea	9.50	9.75	11.00	12.00 3 yrs.—90 dys' not. on amt. wdn.
Cheltenham and Gloucester	9.50	9.75	11.00	—
Cheltenham and Gloucester	—	10.75	—	Gold Account. Savings of £1,000 or more (9.75 otherwise)
Citizens Regency	—	10.00	11.25	12.00 5 yrs., 11.05 3 mths.' notice a/c, 11.30 6 mths.' notice a/c
City of London (The)	9.75	10.00	11.25	11.25 Capital City shs. 4 mths.' notice
Coventry Economic	9.50	9.75	11.25	11.50 4 yrs., 11.25 3 yrs., 11.00 3 mths.
Derbyshire	9.50	9.75	11.00	10.25-10.85 3 months' notice
Ealing and Acton	9.50	10.25	—	10.90 2 yrs., £2,000 minimum
Gateway	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Gateway	—	10.75	—	Plus a/c £500 min. Int. ½-yearly
Greenwich	—	10.00	11.25	12.00 5 yrs., 11.25 3 months' notice
Guardian	9.50	10.00	—	11.75 6 mth., 11.25 3 mth., £1,000 min.
Halifax	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Heart of England	9.50	9.75	11.00	— 3 mths.' notice 10.75, 5 yrs. 11.75
Hearts of Oak and Enfield	9.50	10.00	11.50	11.75 5 yrs., 11.25 6 mth., 11.00 4 mth.
Hendon	10.00	10.50	—	11.50 6 mths., 11.25 3 mths.
Lambeth	9.50	10.00	11.75	12.00 5 yrs., 11.75 6 months' notice
Leamington Spa	9.60	9.85	13.20	11.35 1 year
Leeds and Holbeck	9.50	9.75	11.50	11.75 5 yrs., 10.75 1 mth. int. penalty
Leeds Permanent	9.50	9.75	11.00	11.75 3 yrs., E.I. a/c £500 min. 10.75
Leicester	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 mths.
Liverpool	9.50	9.75	11.05	11.75 5 yrs., 10.80 1 mth. int. penalty
London Grosvenor	9.50	10.25	12.00	10.75 3 months' notice
Mornington	10.50	11.00	—	—
National Counties	9.75	10.05	11.05	10.75 35 days' notice min. dep. £500, 6 mths., 11.15 min. dep. £500
Nationwide	9.50	9.75	11.00	11.75 5 yrs., £500 min. 90 days' notice. Bonus a/c 10.50 £2,500 min., 10.75 £10,000 + 28 days' notice
Newcastle	9.50	9.75	11.00	11.75 4 yrs., 10.75 2 mths.' notice or on demand 28 days' int. penalty
New Cross	9.50	9.75	—	9.75-10.50 on share accs., depending on min. balance over 6 months
Northern Rock	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Norwich	9.50	9.75	11.25	10.75 3 yrs., 10.50 2 yrs.
Paddington	9.25	10.25	11.75	11.25 Loss 1 month int. on sums wdn.
Peckham Mutual	9.50	10.50	—	11.00 3 y, 11.50 3 y, 12.0 4 y, 10.75 Bns.
Portsmouth	9.85	10.05	11.35	12.10 (5 yrs.) to 11.50 (6 mths.)
Property Owners	9.75	10.25	11.75	11.75 4 yrs., 11.75 6 mth., 11.05 3 mth.
Provincial	9.50	9.75	11.00	12.00 4 yrs., 11.25 3 yrs., 10.75 1 mth.
Skipton	9.50	9.75	11.00	10.85-11.00 28 days' interest penalty
Sussex County	9.75	10.00	12.25	11.00 instant withdrawal option
Sussex Mutual	9.75	10.25	11.50	10.50-11.75 all with special options
Town and Country	9.50	9.75	11.00	12.00 5 yr., 11.75 3 yr. 60 dy. wdl. not., 11 2 mth. not./28 days' int. pen.
Wessex	9.75	10.75	—	—
Woolwich	9.50	9.75	11.00	11.75 3 yrs. £500 min. 90 days' not. on amt. wdn., 10.75 £500 3 mth. not.
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	9.50	9.75	11.00	11.25 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 10.25 3 yrs., 11.05 Golden key, 28 days' penalty interest

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

Ashe rekindled

BY JOHN BARRETT

Off the Court
by Arthur Ashe. Eyre Methuen. £6.95. 230 pages

From his unique vantage point es the only black male tennis player to have won the U.S. Open and the Wimbledon titles, Arthur Ashe views the world with wisdom and commendable tolerance.

Off the Court, written in collaboration with Neil Amdur, of the New York Times, is not, thank goodness, just another catalogue of metch reports and gossip, thinly disguised as autobiography. It is a thoughtful, sensitive eccount of e young man growing up in Richmond, Virginia, and learning to overcome daunting social handicaps. Thanks to dedicated men like Ron Charity, his first tennis teacher, and Dr Robert Johnson, whose home was a refuge and classroom for promising young black tennis players, the youthful Ashe learned to conquer prejudice and opponents with equal skill. The patience and single-minded concentration that won metches, later helped to break down the rigid apartheid laws in South Africa, where his third attempt to secure a visa wes successful, in 1973.

The Ashe story reveals courage in plenty: his refusal to be dismayed at not being allowed to compete in a tournament at Byrd Park which was "off limits" for blacks; the first political speech as an army cadet in 1968, which broke the rules, and earned a severe reprimand; the shock of suffering a massive heart attack, which ended an illustrious career et the age of 37.

He has an easy-going informality that stamps Ashe as a potential politician — a vocation he considers, but rejects.

Discussions in South Africe with Dr Piet Koornhof, and furtive approaches from oppressed individuals like M. N. Pather, Don Mattera, Robert Sobukwe, and the wife of Nelson Mandela, obviously move Ashe deeply. He constantly welks a tightrope between sensible protest and a potentially dangerous association with militants of the far left, whom he can never satisfy that he is doing enough for the cause.

Regrettably, errors in the U.S. edition, which irritated me when I read it last year, have not been corrected. There are still three misspelt names on one line of page 133, which must be something of a record; and Bunny Austin still appears es "a Wimbledon champion," which will embarrass him as much as his many admirers. But one can forgive these small blemishes in a work which provokes thought without preaching, end brings a new perspective to familiar situations. Arthur Ashe comes through as an honest, concerned human being searching for answers to problems which have baffled other good men. At least his heart is in the right place — and we can thank triple bypass surgery for that.

Them that hath

BY BARRY RILEY

Wealth & Poverty
by George Gilder. Buchan and Enright, £8.50. 292 pages

The sheer coldheartedness of capitalism, as an economic philosophy, has long given it an image problem compared with the socialist alternative. It is true that capitalism gave birth to the rich and dynamic American economy, while socialism produced the creaking end backward Soviet Union. But the idealistic young are rarely attracted to a system of which even its classical apologist, Adam Smith, could only say that grasping and greedy capitalists were somehow redeemed through the intervention of an "invisible hand" which caused individual selfishness to work for the common good.

Now, on the crest of the wave that brought President Reagan to power, the right wing economists of the U.S. are hitting back at all the soft-centred liberalism which has been tacked on to capitalism to make it palatable. George Gilder takes the bull by the horns. Capitalism, he announces, is all about giving: the capitalist is not driven by greed for money or power, but by a kind of altruism. By giving, risking, and creating he generates the economic wealth that is shared by the whole of society—even the poor.

Unfortunately Mr Gilder fails to justify this bold beginning. It soon turns out that his concept of capitalism is narrow, to say the least. "The central activity of capitalism," he claims, "is the turbulent process of launching new enterprises." But the dominance of the giant, oligopolistic corporation immediately renders the argument suspect, even though it may appear more credible from Silicon Valley (an example on which he draws heavily) than from un-entrepreneurial Britain.

How can entrepreneurial renaissance be encouraged? The familiar supply side formula involves lower taxes all round, so that the rich can perform their necessary function of staking budding capitalists. The poor must be deprived of many of their welfare benefits so that they will have the incentive to claw their way up the ladder (though presumably most will stay poor). Advantages of the rich, such as superior education, must remain. "This process helps the poor by creating a distinctive culture of upward mobility which they may emulate." It is not explained, however, how a society with a democratic electoral system can be held together during such a transformation.

This British edition of a book which is said to have sold over 150,000 copies in hardback in the U.S. contains a special chapter of advice to Britain. Mr Gilder's credibility is not helped when he gets the year of our last General Election wrong. On the other hand, he correctly identifies e key British problem as being the siphoning off of e huge volume of tax-sheltered savings into entrepreneur-proof insurance and pension funds.

"The next goal of policy," he writes, "should be to emancipate these funds for entrepreneurial use." But with Reaganomics running into trouble back home, his advice to run Britain like a price-cutting business takes some swallowing. Better to cut prices than raise them, he suggests, "even in the face of computer proofs from financial officers that disaster will result." It looks like the Freddie Laker approach to economic policy.

Siblings

My Sister and Myself: The Diaries of J. R. Ackerley
edited by Francis King. Hutchinson, £8.95. 216 pages

The Ackerley saga continues. J. R. Ackerley, the one-time literary editor of the Listener and dog-lover, kept a diary from 1948 to 1957.

Readers of that remarkable memoir *My Father and Myself* in which Ackerley described his encounters with guardsmen pick-ups in Knightsbridge pubs, and the total shock of discovering his father had a second family, may now discover the nature of his relation with his sister, Nancy, a divorcée whom he supported both emotionally and financially. Ackerley bequeathed the limpidly penned journal to Francis King who provides a perceptive introduction to the volume.

ANTHONY CURTIS

HOW TO SPEND IT

by Lucia van der Post

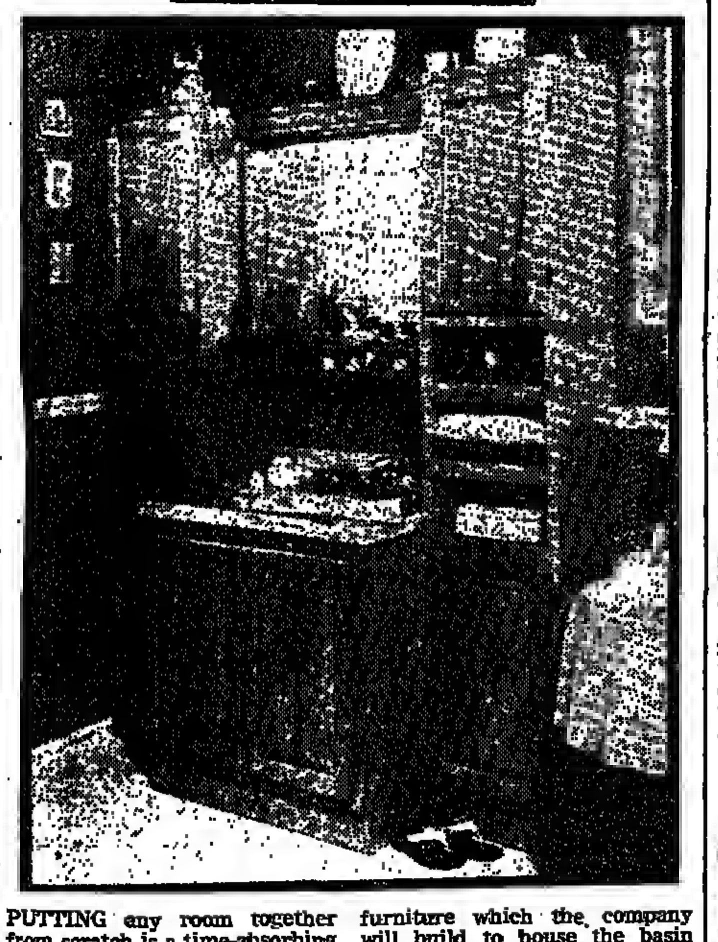
FOR those who like tiles with a decorative hand-painted effect Elon Tiles is a company to look out for. It is perhaps best-known for its charming stylised floral designs from Mexico—in a wide range of colours and different designs these do have an authentic hand-made look to them and though they tend to be expensive (from £48 a square yard) just a few of them can be combined very effectively with plain tiles to give a surprisingly decorative effect, as can be seen from the photograph above.

To tie in with these flower-strewn tiles there is a range of hand-painted basins which come in similar colours and have leaves or flowers as the basic motifs. The basins do give a quite unique look to any cloakroom or bathroom and seem to me well worth the £110 it costs for the small oval or round version or the £132 you would pay for the larger ones.

However, Elon Tiles is also a very good source for those who want hand-made unglazed floor tiles—these look marvellous in kitchens or on patios, in conservatories or garden rooms. Because the tiles are all hand-made neither patterns nor dimensions are exactly regular and though this means you will need extra care in using them the effect is well worth it.

Remember, if the tiles are for outdoor use, to make sure they are frost-resistant first.

Though it is these hand-made Mexican tiles that I usually associate with Elon Tiles, it has greatly expanded its stock and if you go along to the showrooms at 8 Clarendon Cross, London W11, you can now see a selection that includes terra-cotta floor tiles, sophisticated designs from France, rustic ones from Holland and a new and expensive collection of tough hand-painted tiles (strong enough to be used as kitchen worktops) called Elon Antigua.



PUTTING any room together from scratch is a time-absorbing business requiring endless fiddling about with tape-measures, matching up of samples of materials, fabrics and wallpapers, but probably one of the most difficult rooms in the house to deal with is the bathroom. Apart from anything else, it tends to be small, so it is vitally important that every square inch is properly planned and used.

If you can't face doing all of that and just want to hand it over to the experts a useful company to know about is Qualitiwork, of 28, Bolton Street, London, W1. It will do everything from the initial design work (which is free if you later buy from the company) to the final lick of paint.

Qualitiwork feels, like many before it, that the bathroom has been left behind in the whole house development boom and that the time must be ripe for introducing more comfort, not to mention fun, into the bathroom.

To this end Qualitiwork will provide both whirlpool systems (from £500 for the whirlpool system alone but those whose tastes run to "gold-finished" systems will have to pay around £1,200) and its latest joy, four-poster baths.

Probably of more interest to most of us is the range of nicely-made solid maple fitted furniture which the company will build to house the basin and provide the sort of storage that most bathrooms need. As you can see from the photograph the designs are very pleasing and help to give the bathroom a warm, far from clinical, look.

Qualitiwork also sells a re-constituted marble material called, somewhat importantly, Imperial Stone, which can be moulded to form any of the well-documented bathroom shapes, from bath to hand-basin, shower tray to bidet.

As an example of prices, a hand-basin set into a marble top on a Canadian maple base would cost about £300. A tall cupboard would be about £300.

Examples of the fitted furniture can be seen in situ (though not bought) at the Building Centre, Store Street, London, WC1. London stockists include the British Bathroom Centre, Seven Sisters Road, N15; Max Pyke Bathroom Shop, Eccleston Street, SW1. For details of your nearest stockist send a sae to Qualitiwork.

Colour it pastel

IT ISN'T often that the whole mood and feeling of domestic interiors changes so greatly that all those without the ready-made excuse for starting from scratch that comes with moving house, start looking for other reasons for re-doing their rooms. Certainly this is one of the years when I long to begin all over again—change the brown that I once thought so sophisticated for soft sherbert pastels, get rid of the clutter and the pattern on pattern and opt for the clean, sunny look that seems the hallmark of 1982.

All the newest houses that I've been into, the houses that I've liked the best, have abandoned the artful rustic look, the tiny florals, and opted for a much calmer, more tranquil look. Often this is achieved by substituting the new painting techniques of rag-rolling, stippling or sponging for the busy wallpapers we used to like so much. These techniques can be learned by those who have a talent for such things or you can try and interest your local house-painter in the craft or, an easy and cheaper alternative, many of the leading wallpaper companies have produced ranges of wallpaper that imitate these effects extremely well.

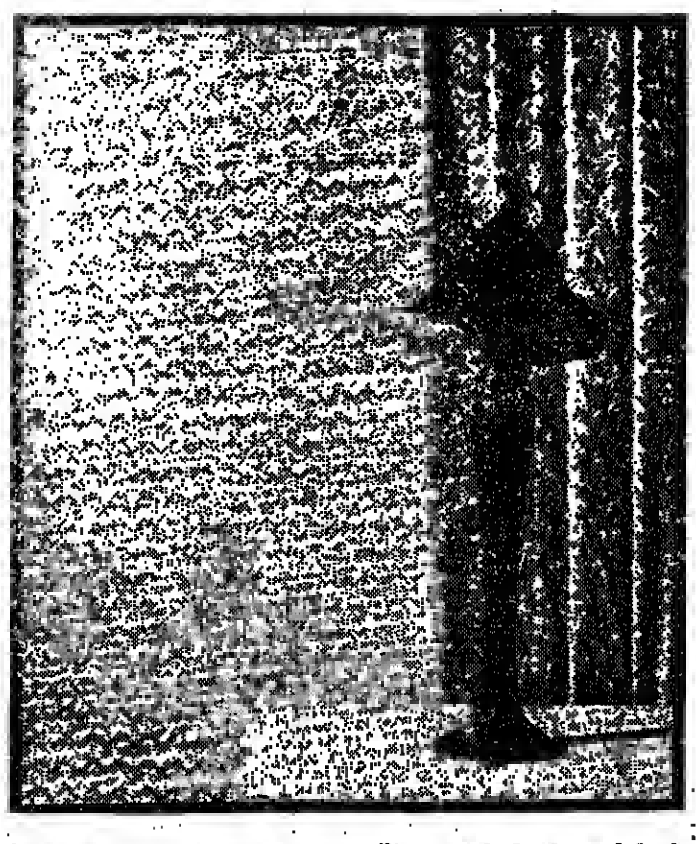
Osborne & Little has a range of what it calls Nuage Papers, which come in lovely soft colours (I particularly like the pale blue and the apricot) and look rather like smudged plain surfaces (an effect almost identical to that of sponging paint). Then there are Grained Papers, which have a similar effect —they are so subtly patterned as to look almost plain. At £7.65 a roll (plus VAT) it could be a quick way of giving a house an entirely new look.

Tricia Guild, the design force behind Designers Guild, says that while she isn't totally abandoning the patterns of previous years, she is using them rather differently now. Basically she is trying to get more space and air into her interiors, aiming for a less cluttered look and so she has produced a series of papers and fabrics (called Rags & Tatters which will be ready around May) which, though subtly patterned, give a rather muted, plain effect. Her Spatter designs, consisting of minute all-over splashes of colour, are obvious fore-runners of this and have much the same kind of look.

For those who like the new pastel look there is a growing collection of accessories like cutlery with pastel-coloured handles (from Heal's), ceramics, lights, bedlinen all of which come in mouth-watering ice-cream colours. Because the colours are often so pale they can be mixed much more easily than stronger shades and I've seen very pretty-looking tables laid with china and cutlery featuring almost all the colours in an Italian ice-cream sellers repertoire.

Some of the best and most reasonably-priced carpeting I've seen is Afia Carpets collection of patterned Berbers. Do not be put off by the word "patterned"—the pattern is simply a checked combination of cream and any one of 21 colours (including most of the pastels). At £9.45 a square yard, 13 ft 1 ins wide it is good value. Afia Carpets is at 60 Baker Street, London W1.

If you want to get your eye in to the new look, Londoners can go along to Harrods' Central Hall before April 12 where Way In Living has got a very lively exhibition entitled One-Room Living—here you can see all the current major decorating themes (including what for lack of a better word I call domesticised High-Tech) deployed in a stimulating way.



OSBORNE AND LITTLE has recently enlarged its showrooms at 304, Kings Road, so that it now has the air of leading into a large country house. The downstairs showroom is full of little ante-rooms, all miniature room settings, designed, of course, to show off the latest collection of wallpapers and fabrics, as well as a small collection of furnishing accessories which it has started selling.

The direction of its designs has certainly changed in recent years and though many of the old favourites are still available (remember, all those metallic papers and what an impact they made all those years ago?) the new look is in a very quiet and understated mood. Peter Osborne is quite definite that for the moment it is "the end of the mini-print. It is a theme that has been exhausted as far as we are concerned." The latest designs are very tranquil but deal in much larger-scale patterns. Some of the most dramatic fabrics I've seen are the American hand-painted California drop cloths (very beautiful, tough upholstery fabric but expensive at £32 a metre).

Osborne and Little is going for "oblique co-ordination" and to this end uses large designs on fabrics with a background motif which then appears alone on the paper or complicated floral fabric with simply striped paper.

Colours are very subtle and seem predominantly ivory, putty, slate and gunmetal. They require looking at carefully and thinking about—the appeal is not obvious but in the long run I think they will last longer and please more deeply than the more accessible designs around.

Photographed above is one of the new designs that caught my eye in particular, Flame Stitch. The wallpaper is £15 (plus VAT) per roll, the border is £10 (plus VAT) per roll and the fabric, £10.50 per metre.

Photographed above left is "Kingston Market" just one design from the Old Paradise collection of hand-printed period wallpapers. The collection consists of just six designs, all dating from 1690 to 1840, and each is available in the original colouring as well as other alternatives.

Prices are quite high, starting at £17.75 and going up to £22.75 per roll but the papers are special and could just make a certain sort of room or house. For stockists contact Hamilton-Weston Wallpapers, 10, Lifford Street, London, SW15.

THE Laura Ashley style is by now very well-known. There can hardly be a household that does not have something of Laura Ashley's somewhere—whether it be a garment, a roll of wallpaper or a set of table napkins. Her great strength as a designer seems to me that just when one thinks one is getting so tired of the whole Laura Ashley style that one can hardly face another room, no matter how pretty, done in the Laura Ashley way, she gets wise and produces a whole flush of new designs in the nick of time.

Certainly her last collection, not now so very new, was bright, fresh and full of clear colours, providing a welcome change from the sludgy blues, greens and rusts that I had grown to dread.

Anybody who likes the Laura Ashley style (and whatever some may think of it she has at the very least made wallpapers and fabrics with a wide appeal and much charm available at a very low price) will probably like the *Laura Ashley Book of Home Decorating.**

Published this week, it will obviously be the aficionado's bible. Page after page of room-settings, right through from kitchens to bathrooms, from bedrooms to conservatories, the book shows you how to put it together the Laura Ashley way. Sometimes it is over-done, and one longs for another note to be struck, but quite often the effect is one of great charm.

Certainly for those whose own visual antennae are best stimulated by seeing what other people have done, the book provides a good way of testing out which colours and patterns work well together, which can be over-done, which ones are personally pleasing and which are not to one's own taste.

There is a very useful practical section at the back, giving all sorts of ideas for dressing windows (shown here are some of the sketches from this section), for laying carpets, tiling walls, making your own stencils, loose-covers, cushions and other soft furnishings.

A lot of stimulus and a lot of advice for £7.95.

* *Published by Octopus Books.*

SMALLBONE is a small specialist kitchen company that is growing rapidly bigger on the wave of nostalgia that has hit the kitchen market. It perceived very early on that streamlined capsules were not what most people wanted as the "heart of the home"—that warm wood, a bit of decorative appeal and old-fashioned charm had become in such short supply that anybody providing it would do very well.

Smallbone has indeed done very well. It has its headquarters at Unit 3, Garden Trading Estate, Devizes, Wiltshire and showrooms at The Studio, 72 Gloucester Road, London SW7; 12/13 Waterloo Street, Clifton, Bristol; Knutsford Kitchen Centre, 36 King Street, Knutsford, Cheshire and a new showroom opens next week at 21 London Road, Tunbridge Wells, Kent.

For this spring Smallbone has divined that perhaps the real wood, highly decorative kitchen has been overdone (or at any rate that it would be sensible to offer an alternative to that look) and it is now supplying kitchens made from kiln dried pine and finished with the newly fashionable painted techniques of dragging, stippling or sponging.

The look is simpler, fresher and newer than the original period pine look that Smallbone started with. The kitchen units can, of course, be painted any colour you like but if I were choosing them this spring I would opt for one of the fresh fondant colours like mint green, sky blue, sugar pink or soft yellow, that are all about.

Readers who aren't up to date with the different effects of sponging, stippling or ragging might like to look out for a book on the subject that I recommended last year—Paint Magic by Jocasta Innes illustrates many examples of these currently revived crafts.

Readers who are interested in the Smallbone kitchens should note that it is very difficult to give detailed prices—there are so many combinations of units and finishes available but if I give you the price of a standard B6 space unit 600mm wide with a cupboard and drawer on top in the three different finishes Smallbone offers, this at least gives some starting point. The unit in period pine is £239, in authentic English oak it is £263, and in kiln dried pine, painted to choice, £217.

THERE are now four Casa Fina shops in Britain and all specialise, as you might expect, in a look that is distinctly Spanish. Not what you might call high-Spanish but rather a more muted Spanish look that translates quite well into English houses.

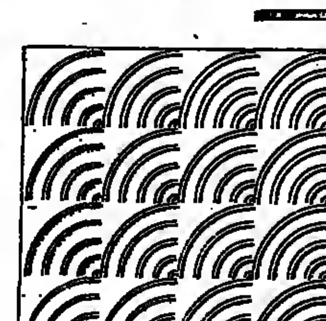
There are carved wooden bedheads, a range of pottery with a distinctly Mediterranean look to it (sunny combinations of sharp green, pink and white), lamps and small pieces of (mainly bedroom) furniture. Now Casa Fina has just introduced a sofa that seems to me to be of the size and shape that many people are looking for. It is nicely plain—that is, it makes no dramatic statement and would fit tranquilly into many a home, see it photographed above.

There is a two-seater version (which in fact seats three people), a three-seater version (which will seat four) and an armchair. All can be covered in a choice of 18 suggested fabrics —these range from a collection of plain colours in the new muted pastels, including dusky pink, beige and natural, as well small checks and hold patterns—but customers can also have it covered in any fabric of their own choice.

The framework is of wood and the seat and cushions are filled with Dacron and judging by the sample currently in Casa Fina's Covent Garden window it will take endless wear and tear from tired customers and yet still spring back into shape. For cleaning everything zips on and off—including the armrests and the back supporting cushions.

The price of the sofa is about £425 for the two-seater, £544 for the three-seater and £297 for the armchair, though the price varies slightly depending upon the fabric chosen.

Casa Fina branches are at 9 The Market, Covent Garden, London WC2, then there is one in Leamington Spa, one in Bath and another in Tunbridge Wells.



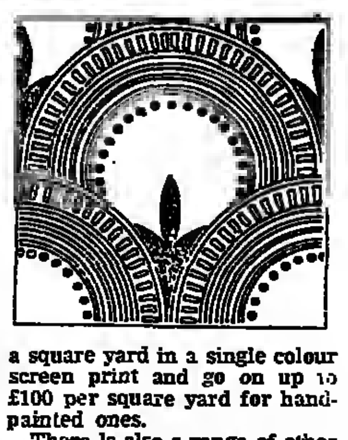
ANYBODY who has ever had a particular colour shade or a particular type of pattern in mind will know how difficult it is to track down exactly the right tile for the job. Not everybody knows that there are companies that will make tiles to almost any pattern or colour and though the service isn't cheap it isn't perhaps as expensive as one might expect.

Rye Tiles, which has a showroom at 12 Connaught Street, London W1, designs and makes tiles of its own design (those of Tarquin Cole who, together with his wife Biddie, owns and runs the company). The look is very English but covers a wide spectrum from geometrics to soft pretty flowery designs, from bold strong shades to pastels. Two of the current range are illustrated here.

Rye Tiles does a great deal of work for interior designers and the retail trade but anybody who wants a special design or colour can order it through the Connaught Street showroom. All 55 of the current designs are available in more than 100 colours and if they haven't got the exact colour they will try and provide it.

Tiles cost from about £20.70 a square yard in a single colour screen print and go on up to £100 per square yard for hand-painted ones.

There is also a range of other ceramic items like lamp bases, soap dishes, beakers and other bathroom accessories, all of which can be made in a tiny speckled design which Rye Tiles calls "Bodiam."



Return of the double feature

VIDEO REVIEW

NIGEL ANDREWS

THOSE OF YOU who pine for the lost and legendary days of the cinema double-feature may now recreate that era in your very own living-room: all thanks to the wonder of videotape.

Kingston Video have assembled in their catalogue a truly marvellous line-up of Holywood golden-oldies, which they package for you in two-somes—both on the same tape —so that at a single sitting you may watch *Stagecoach* and *Deadline at Dawn*, or *Easy Living* and *Carefree* (Astaire and Rogers in top foot-fettle), or Mitchum and Kirk Douglas in *Out of the Past* and Richard Dix malarkying in a chain-gang in *Hell's Highway*. The cost of each double-bill is £39.95.

Most of the Kingston Video pairings are judiciously made up so that they contain one main feature quasi-classic and one flip-side B-feature of lesser but quirky merit. *Stagecoach's* partner, for example, *Deadline at Dawn*, is a fetching *film noir* thriller with urban wanderlust in which Susan Hayward and Paul Lukas zig-zag across shadow-washed New York at night seeking the murderer of a lady blackmailer. "Statistics show that every person has his problems" burbles Lukas as a mittel-European cabbie. And he speaks the truth. If you try to follow the plot too closely, you get a migraine. But Hayward growing out early star quality (1946) is a treat, and Clifford Odets wrote the screenplay which ensures a beady sprinkling of street-wise poetry.

Indeed *film noir*—those dark, tormented Hollywood thrillers of the 1940s that glissaded through rain-slick streets with bars of shadow and stabs of neon — is the chief stock-in-trade of Kingston Video. *Easy Living*, directed by noir maestro Jacques Tourneur, tosses Victor Mature and Lucilla Ball in the moody tale of an aging footballer on the professional and emotional skids. And *Out of the Past*, also by Tourneur, is probably the kingpin of all *film noir*. Robert Mitchum and Kirk Douglas fight over the same woman — sultry Jane Greer — and stumble over the same bodies in a spiralling suspense mystery of typically tangled motivation. So fulsomely does Tourneur ladle out the shadows, like a waiter generous to a fault with gravy, that it's a wonder in some scenes that either man can pick his way through the corpses and the *femmes fatales*.

And this brings us to the fly-in-the-ointment in Kingston Video.

The film titles on offer are marvellous, the copies are less so. Comparing them with other video-issued black-and-white films of similar vintage (or even earlier — *vide* EMI's *Dr Mabuse* and *King Kong*), I'm dismayed by poor definition, frequent blips and scratches, and smeary vision whenever the camera or the characters move too fast.

In *film noir* these are no small deficiencies, since even *when prints are pristine* visibility is not exactly the genre's prime asset. Watching a *poor* copy is like walking down a New York street on a foggy night during an electrical strike with only a box of matches for guidance.

Stagecoach — anything but a *film noir* — should be easier on the eye. But in the Kingston Video version it isn't. John Wayne, crooked grin, gravel drawl and hip-sway walk, is attacked by the small-pox of grainy reproduction, and director John Ford's magnificent Monument Valley landscapes—where nature-made cathedrals pop up from piazzas of sand—seem all too often swirled across by nebulae of urban grime.

Kingston Video boast a list of films-on-offer that few viewers will want to resist dipping into: *Siege Struck*, *The Big Sky*, *Berlin Express*, *The Fugitive* (Ford's version of Graham Greene's *The Power and the Glory*), *Wagonmaster*, *Isle of the Dead*, *The Outlaw* (Jane Russell and appendages), *Mr Blandings Builds His Dream House* and many more. But it shouldn't be necessary to pay for the pleasure of seeing these films with ocular agony as well as with £40-odd per twosome. Great ideas, room for improvement in execution.

There's plenty of evidence elsewhere in the home-viewing landscape that shoddy reproduction need not be the rule in transferring vintage films to video-cassette.

Dr Mabuse The Gambler dates from 1922 and the first and finer *King Kong* from 1933. Yet both shine out as if new in EMI's video versions. *Dr Mabuse* is Fritz Lang's "mad mastermind" classic in which Rudolph Klein-Rogge dons a plurality of disguises in order to take over Germany. Hints of Hitler may be noted. Lang's angular geometry and ominous staging — eerie fades, underlit close-ups, sudden jump-cuts — are expertly re-minted here for the small screen.

The same goes for Kong, the lovelorn gorilla, swayed by a passion that dared to grunt its name. Thrill to the flickering matt of hair, the rueful questioning eye, the burly forearm that swats or caresses. And be heart-pierced by the thousand screams of Fay Wray. There hasn't been a better monster film in 50 years.

ARTS

Happy anniversary

BY B. A. YOUNG

Radio 3 goes after anniversaries as a mouse goes after cheese. Joyce is just over, but Lassus still continues, and Schnabel, and this week sees the beginning of Goethe. It isn't the centenary of Goethe's birth, or his death; it's the 150th anniversary of his death, and it is being magnificently celebrated by (among other things) both parts of his *Faust*. (I need hardly say that the translation, by Louis MacNeice and E. L. Stahl, was commissioned in 1949 to celebrate the two-hundredth anniversary of his birth.)

Part One was broadcast on Sunday, and very fine it was; but I am not going to write about it now, except to say that the playing by Simon Callow as Faust, Ronald Pickup at Mephistopheles and Angharad Rees as Gretchen was every bit as good as this great play deserves. Next week I will write about both parts together, which, though they have no continuing connection, seems to me a more sensible way to cover them. Part Two will be broadcast on Radio 3 tomorrow.

Radio 4 has a new series going on Saturday nights called *Something to Declare*. In the first two programmes, Bernard Jackson told of his visit to Thailand, first to Bangkok, then northwards towards the "golden triangle" where the opium poppies bloom. (As this year is the bicentennial year of the independence of Thailand, Mr Jackson must have known he was on to a good thing.)

But oh dear, how could anyone go to such interesting places and make so little of them? "What did I know?" Mr Jackson asked us. "To be honest, not a lot." So he gave us some information from the reference books. He said that there was "beautiful girls with almond-shaped eyes." He told us that Bangkok was sinking, like Venice (though they tell me Venice has stopped); and that the people liked eating outside after dark—like, he might have added, Venice.

But then, the following Saturday, northwards towards the golden triangle, where there was said to be fighting actually going on. He took a domestic flight as far as Chiang Mai and described the landscape from the air. They grow rice around here rather than poppies. In the market, "We're looking at some rather sleepy, what are they? buffaloes?" Yes, they were buffaloes; luckily he was escorted by a Thai student who had seen buffaloes before. "Are they still used as beasts of burden?" In a nearby village, everyone was watching Thai boxing on television. Now we are leaving Chiang Mai. "On the left hand side is a beautiful golf course."

Further north there was a young man who had been in the fighting, but the young man had nothing to say about it. There was an elephant camp. "These elephants are enormous beasts." In the Mesai Valley holiday resort there was a "rich diet of Thai culture."

But for Heaven's sake, what is Thai culture? What education do they have? How much religious observance is there? Is there compulsory service in the Army? Are there any libraries? Are there Christian missions and do they conflict with the Buddhists? What kind of vegetation is there besides rice and the European flowers in the holiday resort? What are the rules of Thai boxing? I want to know so much, and Mr Jackson only told me what he could get from the guidebooks and his escort and looking out of his car. At Chiang Mai they walked up hundreds of steps to a temple. "What are we looking at? Ah, it's the airport." This isn't the way to travel. Not if you want to talk about it afterwards, anyway.

We had a fair sample of English culture in Thursday's *Afternoon Theatre* on Radio 4, *Two Stops on the Piccadilly* by Peter Simpkin. There are two stops on the Victoria Line between Spurs and Arsenal. One afternoon 16-year-old Dave didn't get to either station, because someone who didn't like the colour of his scarf stuck a bottle in his face and he lost an eye. His father (played by William Marlowe with bags of bate) decided that if the police couldn't find out who did it, he would find out himself. What happened was that as he was driving his car through the crowd he annoyed the yobs, they attacked him, he drove at them and killed one.

It was well done (Peter King, director), and it would be nice to say that anyone who had heard it would take good care not to go to a football match again. Could that be so? We read about that sort of thing in the papers every Monday and it happens again on Saturday. Street violence is an accepted part of our life, and we write about it as we write about love or adventure. And what, I wonder, will the football mobs do when all the clubs are broke?

In the Image of Man

BY WILLIAM PACKER

For a nation that is so often brutishly indifferent to the integrity of its own History, Art and Culture, we are being dreadfully and most gratifyingly spoilt. The manifold compliment we have lately been paid by the generous assumption of our interest in other and so very different historic Cultures should indeed shame us into taking a hard and careful look at ourselves, and how we are come to be just what we are. The Great Japan Exhibition gave us a picture of a closed Society presented through the Art that it produced, brought all together as a coherent whole; and now, hard on its heels, comes the Festival of India with one of its principal celebrations, filling the Hayward Gallery (until June 13) with a wonderfully dense exhibition.

"In The Image of Man" covers two millenia rather than two centuries, and yet has a narrower scope, for it concentrates its attention almost entirely upon the arts of painting and, most especially, sculpture. That narrowness, however, is indeed only apparent, for through all those centuries those arts have supplied the visible embodiment of the philosophical and religious truths around which Indian life and thought are centred: they embrace as they represent the social whole. As the Festival goes on, so other exhibitions and events will show how this essential unity extends through all the applied and performing arts.

Padmapani Avalokitesvara, a future Buddha in the exhibition

The exhibition is arranged not chronologically but thematically, treating what its sub-title calls the Indian perception of the Universe in its many aspects, general and particular, in a natural sequence from the myths of the Creation, signified by the primaeval Egg, through the Cycle of the Ages, to the sleep of Vishnu in the coils of the serpent Shesha. Demonstrated to us are Man's relation to the Natural World and to the Cosmos, his four Goals in Life and his practice of Devotion; and Life goes on, incarnation succeeding incarnation, and through it all we see its Abundance, and the essential harmony of the Senses. If the Art, as with the Thought, is transcendental in its intentions, it is so not by denial and suppression, but by understanding, expression and release of Man's physical nature. The liveliness and open sensuality of Indian art throughout its period speak for the possibility of such a resolution.

All is stated through the agency of myth and symbol, which our over-literal and secular western cast of mind rather too easily mistakes as superstition. A truth need be no less a truth, no less profound, for being reshaped by the creative imagination, and we have suffered perhaps no greater loss in ourselves since the Reformation, by our persistent, enlightened scepticism and incredulity, than that of our capacity for imaginative belief. The artist, like the poet, was once a kind of priest, and it is salutory, in our secular and disjointed age, to be made to see again, if at a certain cultural remove, the strength of his achievement, and something of his creative scope.

The works themselves are astonishing, so many of them ravishingly beautiful, as much masterpieces of technique and control as of creative invention. The rhythm of the sacred dance informs every figure, whilst the infinite variability of the human frame supplies every formal possibility. Sculpture, that we might have expected to be alien in spirit and inaccessible, wrapt as it is in humane if godly preoccupation, touches us with the surprising directness of common experience. Even Shiva, whether with his consort, swaying with such elegant simplicity to an eternal, silent music, or again in his aspect as Nataraja Lord of the Dance, miraculously poised, many-handed and richly significant in his circle of fire, steps towards us across the gulf of time and culture. We glimpse the human spirit dancing in the temple.

Jin Li

BY DAVID MURRAY

Yehudi Menuhin conducted the London Symphony in its Barbican home on Thursday, with a guest soloist for Beethoven's Violin Concerto — the 13-year-old Jin Li. Menuhin met him two years ago in China, and brought him back to his Surrey music school. The senior violinist must have a special sympathy with prodigies, and as prodigies go Jin Li is particularly sympathetic; he stands out not for precocious flash and sizzle, but for single-minded musicianship and effortless command of his instrument.

In the concerto Menuhin often held the orchestra down to favour his soloist, who was wise enough not to force his sound beyond what is natural for his present physique. Not much was made of orchestral detail, in fact, though Menuhin secured a long, singing line in most of the music. With the foreground thus cleared for him, Jin Li gave an innocent, temperate account of his part that shone with sincerity. His tone is even, sweet and penetrating, hardly strained even by the taxing cadenzas—which he despatched with the same unblinking assurance as the rest. His phrasing was modelled with beautiful consistency, though unemphatic; there were a few moments when quiet passage-work sounded like pretty exercises, but the sense of purposeful direction soon re-asserted itself. In its own terms the reading was excellently of a piece, and all generated by what the young artist found in Beethoven—no suspicion of apeing any tricks of more seasoned interpreters, just an honest demonstration of colossal promise.

British String Quartets

BY ANDREW CLEMENTS

The third instalment of the Park Lane Group's series in the Waterloo Room on Thursday took on a more conservative turn than ever. The performers were the Delmé Quartet, and until the last item on the programme their attention never seemed to be engaged fully on their task; the playing was always accurate and energetic, but until Robert Simpson's seventh quartet, quite lacking in enthusiasm.

Simpson's work is one of his most immediate and most powerful. It follows a series of three quartets in which he took Beethoven's Rasumovskys as models and, apparently revelling in the freedom to create its own structure, is a mightily sustained and cogent utterance, founded on a firm tonal plan around the tonality D. A slow opening deploying a handful of thematic elements leads to a ferocious central scherzo and climax, before the return of the slow music, its material transformed by the experience, brings a quiet close. Such a devastatingly simple plan packs a considerable punch, and its rather raw quality is underlined by Simpson's scoring, which deliberately lacks sophistication and uses the string quartet almost from first principles.

Daniel Jones's Quartet of 1980 had begun the programme unremarkably: well made and cleanly proportioned it lacked any memorability or distinct character. Alan Rawsthorne's spare Theme and Variations from his first quartet made all the right gestures and left no impression other than gentility; while Frank Bridge's second quartet was the evening's major disappointment, hardly the important transitional work between "early" and "late" phases we might have expected, nor the finest product of his initial style. Its prolixity seemed not a patch on, say, the *Dance Poem* which had preceded it. A dispiriting evening, Simpson apart; one hopes that the final concert next Tuesday can redeem matters.

Armand Hammer Collection to visit China

The Armand Hammer Collection, *Five Centuries of Masterpieces*, will travel to Beijing, People's Republic of China. It will be exhibited in the China Art Gallery from March 26 until May 10.

This exhibition will be the first chance for a Chinese audience to view master paintings and drawings by Western artists such as Rubens, Rembrandt, Van Gogh, Monet, Degas, Renoir and others—all well represented in the Hammer Collection.

Sponsors of the presentation are the Chinese Artists Association and the China Art Gallery. Major funding for the exhibition is provided by Occidental Petroleum Corporation through the Armand Hammer Foundation.

Wizard of Oz

This is the show of the 1939 MGM film, embarking on a nationwide tour at the Wimbledon Theatre after its Christmas season première at the Hexagon, Reading. The Wimbledon venue is a huge cavern of a place, but seemed less so on Wednesday afternoon at a matinée packed with schoolchildren.

There was no disguising, however, the paltry thinness of the performance. From the moment Janet Leigh-Collins as Dorothy delivers "Over the Rainbow" in a flattened-out even rhythm, Paul Ciani's production is doomed on a plane of dogged narrative and mundane achievement. As Dorothy makes her way to Oz, she meets the Scarecrow, the Tin Man and the Cowardly Lion. Each new friend is given deliciously pointed lyrics by Yip Harburg; only John Conroy as Scarecrow makes anything of them. Christopher Quinten and Charlie Drake pack all the verve and punch of lobotomised sleepwalkers.

The film is memorable not only for its special effects and performances of Judy Garland, Bert Lahr and Ray Bolger, but also for its strange, unworldly sense of terror. I have to admit that my four-year-old sat riveted in Wimbledon from start to finish. But I wonder to what extent he was divining the film through a series of staged *aide-memoires*. He certainly was unequivocal in his enjoyment of the Munchkins, though, and was less restless than through the long dialogue patches of the second act. Tim Goodchild's sets are colourful and inventive. Charlie Drake's Lion lazily falls back on the actor's tremolo falsetto and the small band under Michael Stanley is similarly deficient in either sharpness or attack. Apart from Mr Conroy, there are game contributions from Anthea Askey as the good Sorceress of the North and Meg Johnson as the Witch of the West.

MICHAEL COVENEY

Tissot record

An auction record price of £81,000 for a work by the Victorian artist Tissot was paid at Christie's yesterday. It was for his "The bunch of lilies," which last sold at Christie's for 48 guineas—bought by Agnew's in 1895. Among the Continental paintings, in a sale which totalled £634,446, "A view of the beach at Noordwyk" by Max Liebermann went for £43,200.

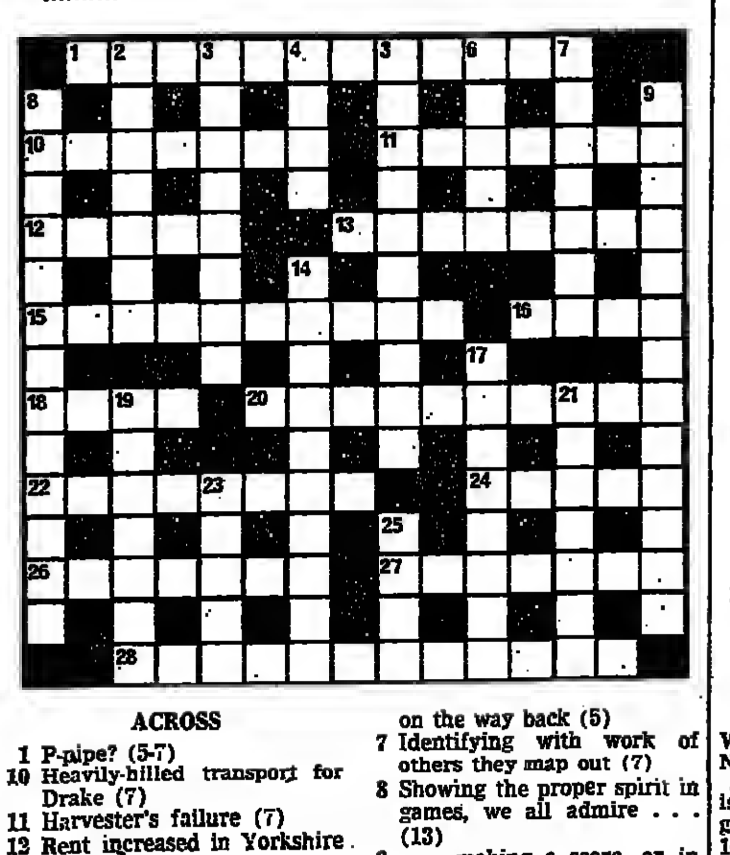
F.T. CROSSWORD PUZZLE No. 4,833

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



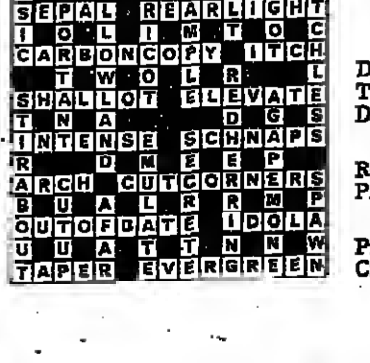
ACROSS

1 P-pipe? (5-7)
10 Heavily-billed transport for Drake (7)
11 Harvester's failure (7)
12 Rent increased in Yorkshire town (5)
13 Some French scrap of paper sent (8)
15 "Puffer"—name artist used (5-5)
16 Subsidiaries of Nicholas Nickelby, Esquire (4)
18 Shingled opening in copy of church recess (4)
20 He works for a tanner, selling land in Cumbria? (10)
22 Spring game, as per a golf round (4-4)
24 Former penny floater for money-order (5)
26 Well-meaning bloody relatives! (7)
27 Inter-bank runner for Orion Co. Inc. (7)
28 His adventure stories make jockey hollow-eyed (5, 7)

DOWN

2 Cuts in energy twice bring blackout (7)
3 e.g., "jug" (8)
4 This means of flying is a triumph over gravity (4)
5 NB Eric Idle can be very good (10)
6 Boy Scouts make had time on the way back (5)
7 Identifying with work of others they map out (7)
8 Showing the proper spirit in games, we all admire . . . (13)
9 . . . making a score, or in that style (13)
14 One keeps a lot that is non-dutiable (10)
17 Producing rough notes—bag-piping? (8)
19 Cause of works stoppage and wrench (7)
21 Such groomed beauty makes larum go off (7)
23 As Wedgwood made them — inspired (5)
25 Planned go at encircling Julius Caesar (4)

Solution to Puzzle No. 4,832



TV/Radio

†Indicates programme in black and white

BBC 1

6.25-8.55 am Open University (Ultra High Frequency only). 9.05 The Do-It-Yourself Film Animation Show. 9.30 Swap Shop. 12.12 pm Weather.
12.15 Grandstand, including 12.45 News Summary; Football Focus (12.00); Racing (12.50) Julian Wilson looks at the life of an apprentice jockey; Racing from Newbury (1.20, 1.50, 2.55); The University Boat Race (1.40, 2.10) Oxford v Cambridge for the Ladbroke Trophy; Badminton (3.15) The John Player All England Championships from Wembley Arena; 3.45 Half-time Football Scores; Rugby League (3.55) The State Express Challenge Cup, First Semi-final: Castleford v Hull; 4.35 Final Score.
5.10 The All New Pink Panther Show.
5.30 News.
5.40 South-West (Plymouth): Spotlight Sport — All other English regions: Sport/Regional News.
5.45 Battle of the Bands.
6.30 Jim'll Fix It.
7.05 Kenn Dodd's Showbiz.
7.40 The Saturday Film: "Escape from Zahrain," starring Yul Brynner, Sal Mineo and James Mason.
9.10 Dallas.
10.00 News and Sport.
10.15 Match of the Day.
11.15 Michael Parkinson in conversation with his weekend guests.

Regional variations: CYMRU/WALES—5.40-5.45 pm Sports News Wales.
SCOTLAND—9.05-9.30 am Mag is Mog (Gaelic children's programme). 5.40-5.45 Scoreboard. 10.15-11.15 Sportscene. 12.15 am News and Weather for Scotland.
NORTHERN IRELAND—12.15-5.00 pm Grandstand: details as BBC 1 except: 3.50-4.30 Motor Racing from Kirkistown, County Down. 5.00-5.10 Scoreboard. 5.40-5.45 Northern Ireland News. 12.15 am Northern Ireland News Headlines and Weather.

BBC 2

6.25-3.10 pm Open University.
†3.15 Saturday Cinema: "The Sea Hawk," starring Flora Robson, Errol Flynn and Claude Rains.
5.15 A Birthday Tribute to Dame Flora Robson.
6.10 There Ought to be Clowns.
6.45 Did You See . . . ?
7.25 News and Sport.
7.40 "The Chess Players" (a Hindi film with English subtitles).
9.35 The Hothouse by Harold Pinter.
11.30 News on 2.
11.35 Badminton: The John Player All England Championships.
†12.05-1.25 am Midnight Movie: "Poison Pen," starring Flora Robson, Robert Newton and Ann Todd.
BBC 2 Scotland only: 3.10-6.10 pm Conference 82: coverage of this afternoon's session of the annual conference of the Scottish Liberal Party in St. Andrews.

LONDON

8.35 am Sesame Street. 9.35 Space 1999. 10.30 Tiswas.
12.15 pm World of Sport: 12.20 On the Ball; 12.45 Squash: The Patrick International Festival from Chichester; 1.15 News; 1.20 The ITV Six from Hexham and Doncaster; 3.10 Speedway from Ipswich Stadium; 3.45 Half-time Soccer News and Reports; 4.00 Wrestling; 4.50 Results.
5.05 News.
5.15 Happy Days, starring Henry Winkler.
5.45 Dick Turpin, starring Richard O'Sullivan.
6.15 Mind Your Language, starring Barry Evans.
6.45 3-2-1, presented by Ted Rogers.
7.45 Hart to Hart, starring Robert Wagner and Stefanie Powers with Ray Milland.
8.45 News and Sport.
9.00 "Soft Beds, Hard Battles," starring Peter Sellers.
10.45 OTT.
11.45 London News Headlines, followed by Johnny Carson's Tonight Show.
12.25 am Close: Sit Up and Listen with Roy Plomley.
All IBA Regions as London except at the following times:

ANGLIA

9.00 am Sesame Street. 10.00 Sport Billy. 5.15 pm Mr Merlin. 7.45 Magnum. 11.45 Barney Miller. 12.15 am At the End of the Day.

BORDER

9.35 am Space 1999. 5.15 pm Mr Merlin. 7.45 Magnum.

CENTRAL

9.05 am Paint Along with Nancy. 3.30 Sesame Street. 5.15 pm Mr Merlin. 7.45 Magnum. 11.45 Songs on Tour: Janis Ian.

CHANNEL

5.15 pm Here's Boomer. 5.40 Puffin's Pla(i)ce. 7.45 The Fall Guy. 11.45 Video Sounds (Oexy's Midnight Runners).

GRAMPIAN

9.00 am Sesame Street. 10.00 Joe 90. 5.15 pm Mr Merlin. 7.45 Magnum. 11.45 Reflections. 11.50 Dolly—starring Dolly Parton, who introduces guest stars Marilyn McCoo and Billy Davis Jnr.

GRANADA

9.20 am Spiderman. 9.40 Thunderbirds. 5.15 pm Bugs Bunny. 5.20 Chips. 7.45 Magnum. 11.45 Mannix. 12.40 am The Living Legends of the Blues (Muddy Waters).

HTV

9.15 am The Adventures of Black Beauty. 9.40 Thunderbirds. 12.13 pm HTV News. 5.14 HTV News. 5.15 Mr Merlin. 7.45 Magnum. 11.45 Mannix.
HTV Cymru/Wales—As HTV West except: 9.15-9.40 am Razzmatazz. 5.15-5.45 pm Siôn A Siân.

SCOTTISH

9.15 am Vicky the Viking. 9.40 Thunderbirds. 5.15 pm Mr Merlin. 11.45 Late Call. 11.50 That's Hollywood.

TSW

9.05 am Wheelie and the Chopper Bunch. 9.30 The Saturday Show. 10.30 The Incredible Hulk. 11.20 Survival. 11.45 University Challenge. 12.12 pm TSW Regional News. 5.15 Here's Boomer. 5.40 Newsport. 7.45 The Fall Guy. 11.45 Video Sounds (Dexy's Midnight Runners). 12.10 am Postscript. 12.15 South West Weather.

TVS

9.00 am Saturday Brief. 9.05 Sesame Street. 10.00 Sport Billy. 5.15 pm TVS News. 5.20 Mr Merlin. 7.45 Magnum. 11.45 Barney Miller. 12.15 am Company.

TYNE TEES

9.00 am Thunderbirds Are Go. 12.13 pm North East News. 5.15 North East News. 5.17 Mr Merlin. 7.45 Magnum. 11.45 Housecalls. 12.15 am Epilogue.

ULSTER

10.00 am Stingray. 1.13 pm Lunchtime News. 5.00 Sports Results. 5.13 Ulster News. 5.15 Mr Merlin. 7.45 Magnum. 8.59 Ulster Weather. 10.45 The Monte Carlo Show (Rod McEwen). 11.35 News at Bedtime.

YORKSHIRE

9.00 am The Saturday Morning Picture Show: "The Master of Ballantrae," starring Errol Flynn. 5.15 pm Mr Merlin. 7.45 Magnum. 11.45 That's Hollywood.

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.00 Wake Up to the Weekend with Adrian John. 8.00 Tony Blackburn's Saturday Show. 10.00 Paul Burnett. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.30-7.30 In Concert (S).

RADIO 2

5.00 am Peter Marshall with The Saturday Early Show (S). 8.03 Racing Bulletin. 8.05 David Jacobs (S). 10.00 Peter Davison and Christopher Timothy with their Star Choice of records (S). 11.02 Sports Desk. 11.03 Goodbye Kenny! or The Clocks and Cox Show (S). 1.00 pm The News Huddlines. 1.30 Sport on 2: The University Boat Race: commentary on the whole event; Racing from Doncaster at 3.00 William Hill Lincoln Handicap; Football: second-half commentary on a top league game, news of others. 5.00 Country Greats in Concert. 7.00 Beat the Record. 7.30 Big Band Special with The Radio Big Band (S). 8.00 Saturday Night is Gala Night (S). 10.00 Nordring 81 (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 I Know What I Like (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critic's Forum. 6.35 Violin and Piano recital (S). 7.10 Christa Ludwig song recital (S). 7.45 Polish Chamber Orchestra: Concert from the Queen's Hall, Edinburgh, Part 1: Grazyna Bacewicz, Haydn (S). 8.20 The Poetry of Margaret Cropper. 8.40 Concert, Part 2: Mendelssohn, Grieg (S). 9.20 Goethe and the Foreigner (talk by George Steiner). 9.40 Music from India (S). 11.00 News. 11.05-11.15 A Walton Nocturne (S).

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, travel, programme news. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, travel, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 1.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 I'm Sorry, I Haven't a Clue (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 The British Seafarer (S). 4.15 Feedback. 4.30 Does He Take Sugar? 5.00 What Are We Doing to the Children? 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, travel, programme news. 6.00 News, including Sports Round-up. 6.15 Desert Island Discs: Castaway Sir William Walton (S). 6.55 Stop the Week with Robert Robertson (S). 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre. 9.58 Weather. 10.00 News. 10.15 Something to Declare. 11.00 Lighten Our Darkness (S). 11.15 A Word in Edgeways. 11.45 The Plant Hunter. 12.00 News.

BBC RADIO LONDON

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, travel. 8.30 Travel Round-up. 8.33 Westminster at Work. 9.00 News, travel. 9.03 On the Rates. 9.30 Openings. 10.02 All That Jazz. 11.30 The Robbie Vincent Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 5.30 Quest. 6.00-5.00 am Join Radio 2.

BROADCASTING LONDON

7.00 am AM with Jonny Lacey and Magnus Carter. 10.00 Jellybone with Tommy Boyd. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allan. 5.00 LBC Reports with Des Fahy. 7.00 Geet Mala (programme for Asian listeners). 8.00 Network: Wyn Thomas at Swansea Sound in conversation with Pam Ayres and Dr Magnus Pyke tries to discover what 'Information Technology' really means. 8.00 LBC Special: "Children in Care." 10.00 Nightline. 1.00 am Night Extra. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

7.00 am Graham Dene's Breakfast Show. 10.00 Pick of the Pops Take Two. 12.00 Peter Young. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Greg Edwards' Soul Spectrum. 8.00 Juke Box Saturday Night. 9.00 Richard Digance and Folk Friends. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special.

CHESS SOLUTIONS

Solution to Position No. 416

1 . . . B-R6; 2 RxQ (if 2 B-B3 or 2 P-N3, QR-B1), RxP ch; 3 K-R1, R-N8 ch; 4 KxR, R-N1 ch; 5 K-R1, B-N7 ch; draws by perpetual check.

Solution to Problem No. 416

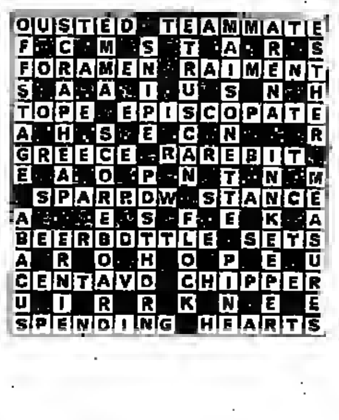
1 K-R2. If 1 . . . KxR; 2 B-Q3, or if P-Q8=Q: 2 R-B2, or if P-K8=N: 2 R-K1.

SOLUTION AND WINNERS OF PUZZLE No. 4,827

Dr A. B. Semple, The Dormers, 6 St Johnswood Terrace, West Park Road, Dundee DD2 1NR.

Mrs M. Smith, 39 Station Road, Thorney, Peterborough PE6 0QE.

Mr P. J. R. Wright, 16 Princess Grove, Wistaston, Crewe, Cheshire CW2 8HR.



THEATRES

ALBERY. S 836 3878. Credit cards 379 6565-930 0731. Grp bkgs 839 3092-836 3962. Evgs 7.30. Thurs & Sat 3.0 (Thur Mats ONLY Michael Ross substitutes for Trevor Eve) CHILDREN OF A LESSER GOD.

ALDWYCH. 836 6404. From April 20. RSC in GOOD. 12 wks only. Book now. CC 379 6233. Grp sales 379 6061.

AMBASSADORS. 836 1171. Grp sales 379 6061. Tkts £6.50, £5.50, £4.50, £4, £3. Evgs 8. Mats Tues 3 & Sat 5.0. ROSEMARY LEACH, DAVID SWIFT. 84 CHARING CROSS ROAD by Helene Hanff.

APOLLO, Shaftesbury Ave. CC 01-437 2663. Two red price prevs. Today at 5.0 & 8.30. From Mon evgs 8.0. Mat Wed 3.0. Sat 5.0 & 8.30. Alan Ayckbourn's new comedy SEASON'S GREETING.

APOLLO VICTORIA (opp Victoria Stn). THE SOUND OF MUSIC PETULA CLARK Evgs 7.30. Mats Wed & Sat 2.30. Box Office 10 am-8 pm in person-phone-post-SAE. SPECIAL HOT LINES 01-828 8665-6-7. CREDIT CARD BOOKINGS 01-834 6919-6184. TELEDATA (instant 24 hr confirmed) Credit card bookings 01-200 0200. GROUP SALES 01-379 6061.

BARBICAN. 01-628 8795. 24 hour info 01-628 2295. ROYAL SHAKESPEARE COMPANY. Postal booking open for RSC's first season (5 May-17 July) at the Barbican Theatre and the Pit. RSC also at the Piccadilly.

BARBICAN HALL, Barbican Centre EC2. CC 01-638 8891. Reservations 01-628 0705. Ton't 8.00 pm London Symphony Orchestra, Yehudi Menuhin conductor, Jin Li violin. Stravinsky: Circus Polka for a Young Elephant. Beethoven: Violin Concerto. Tchaikovsky: Symphony No 4. Tomor 3.00 pm London Symphony Orchestra, Ladbroke Lecture Concert. Mark Elder conductor, Nobuko Imai viola. John Amis lecturer. Walton: Viola Concerto. Tomor 7.15 pm English Chamber Orchestra. Charles Mackerras conductor. Bach/Walton: Suite The Wise Virgins. R. Strauss: Duet Concertino. Walton: Fiesta. Two pieces from Henry V. R. Strauss: Le bourgeois Gentilhomme. Both perfs on Sun 28 are part of Sir William Walton's 80th Birthday Celebrations. Some seats still available.

CAMBRIDGE. CC 01-836 1488-6056-7040. Evgs Tues-Fri 7.30. Sat 6.00 & 8.00. For a limited season, FREDDIE STARR, MIKE GODDARD, PEPE & HIS FRIENDS. Tkts from £2.50. Party bkgs 01-836 2379. Teledata 01-200 0200.

COLISEUM. S 836 3161. CC 240 5258. ENGLISH NATIONAL OPERA. Tonight, Wed, Fri 7.30: MADAM BUTTERFLY. Tues 7.30: LA BOHEME. Thurs 7.30: MARY STUART.

COMEDY THEATRE. S 930 2578. Credit card bookings 839 1438. Grp sales 379 6061. Mon-Fri 8.00. Sat 8.15. Mats Thur 3. Sats 5.15. Price £2.50-£7.00 (not suitable for children). STEAMING by NELL DUNN.

COVENT GARDEN. 240 1066 S (Gardencharge CC 836 6903). THE ROYAL BALLET. Today at 2.00 & Mon at 7.30 The Sleeping Beauty. Wed at 7.30 The Dream, Scenes de ballet, Gloria. Thurs at 7.30 Enigma Variations, L'invitation au Voyage, The Walk to the Paradise Garden, Rhapsody. THE ROYAL OPERA. Ton't, Tues & Fri at 8.00 Salome.

CRITERION. S 930 3216. CC 379 6565. Grp bkgs 836 3962. Mon-Thurs 7.30. Fri and Sat 6 and 8.45. DARIO FO'S COMEDY CAN'T PAY? WON'T PAY!

DRURY LANE. Theatre Royal. BOOK NOW. Personal and credit card bookings 836 8108 and at all ticket agencies. AN EVENING'S INTERCOURSE with THE WIDELY LIKED BARRY HUMPHRIES. Mon-Fri 7.30. Sat 8.0. Seats now available for last 3 weeks.

DRURY LANE. Theatre Royal. CC 836 8108. THE PIRATES OF PENZANCE. Opens here May 26. Box Office now open. Group sales 379 6061.

DUCHESS. S and CC 836 8243. Evgs 8. Wed 3. Sat 5.30 and 8.30. RICHARD TODD, Derren Nesbitt and Carole Mowlam in THE BUSINESS OF MURDER.

DUKE OF YORK'S. 836 5122. CC 836 9837. Group sales 379 6061. Evgs 7.45. Sat 8.15. Mat Thurs 3.0 & Sat 5.0. Simon Callow & Patrick Ryecart in J. P. Donleavy's BALTHAZAR.

GARRICK. CC 836 4601. Evgs 8.0. Mats Wed 3. Sat 5 & 8. 11th HYSTERICAL YEAR OF THE LONGEST-RUNNING COMEDY IN THE WORLD. NO SEX PLEASE—WE'RE BRITISH. Directed by Allan Davis. Group sales Box Office 379 6061. Credit card bookings 930 0731.

GLOBE. S CC 437 1592. 439 0770-6779. PASS THE BUTLER. The new comedy by Eric Idle with WILLIAM RUSHTON, JOHN FORTUNE, MADGE RYAN and PETER JONES. Mon-Thurs 8.0. Fri & Sat 6.0 & 8.45. PERFS GOOD FRI EASTER MON 8 pm. Group sales Box Office 379 6061.

GREENWICH. S CC 01-858 7755. Evenings 7.45. Mats Sat 2.30. EDWARD WOODWARD in Sartre's THE ASSASSIN.

HAYMARKET THEATRE ROYAL. 930 9832. Evgs 7.30. Mats Wed 2.30. Sat 4.00. Previews tonight, Mon, Tues & Wed. Opens Thursday at 7.00. PETER BARKWORTH, ANTHONY QUAYLE, MICHAEL DENISON, DULCIE GRAY in A COAT OF VARNISH, a new play by Ronald Millar running in repertoire Hobson's Choice.

KINGS HEAD. 226 1916. Dnr 7. Show 8. Victoria Wood & The Great Soprendo in FUNNY TURNS.

HAYMARKET THEATRE ROYAL. 930 9832. April 15-28, May 13-29. Evgs 7.30. Mats Wed 2.30. Sats 4.0. PENELOPE KEITH, ANTHONY QUAYLE, TREVOR PEACOCK in HOBSON'S CHOICE. A comedy by Harold Brighouse. Directed by Ronald Eyre. Running in repertoire with A Coat of Varnish.

HER MAJESTY'S. 930 6606-7. CC 930 4025-6. Group sales 379 6061. Evgs 7.30. Sat mat 3.0. FRANK FINLAY in AMADEUS by PETER SHAFFER. Directed by PETER HALL.

LONDON PALLADIUM. 01-437 7373. MICHAEL CRAWFORD in the Broadway Musical BARNUM. Evgs 7.30. Mat Wed and Sat 2.45. GOOD FRIDAY SPECIAL PERF 7.30. Use the Barnum Hotlines 01-437 2055. 01-734 8961 for instant credit card reservations.

LYRIC. S CC 437 3686. Grp sales 379 6061. Evgs 8.0. Mat Wed 3.0. Sats 5.15. Season ends April 10. YOUR LAST CHANCE TO SEE RICHARD BRIERS, PETER EGAN, Richard Pearson, Pat Heywood, Alice Krige in BERNARD SHAW'S ARMS AND THE MAN.

LYRIC HAMMERSMITH. S CC 01-741 2311. Sold out! Last 2 Perfs Today, 4.30 & 8.15. NOISES OFF by Michael Frayn.
From Mon BERNARD CRIBBINS in THE BEST OF BRITISH MUSIC HALL. LYRIC STUDIO: Last Perfs Ton't 8 pm JAMES JOYCE & THE ISRAELITES.

MAY FAIR. 629 3036. CC 379 6565. Grp bkgs 836 3962. Evgs 8.30. Sat 6.0 & 8.0. Apr 6 at 7.0. Leonie Hofmeyr, Sarah McNair, Michele Maxwell in BOOGIE. Seats £7.90 & £4.90. Theatre & Tiddy Dolls supper tkt £12.00.

MERMAID TH. Blackfriars, EC4. 01-236 5568. CC 01-236 5324. Evgs 8.0. Fri & Sat 5.15 & 8.30. ALEC McCOWAN in THE PORTAGE TO SAN CRISTOBAL OF A.H. Adapted by Christopher Hampton from George Steiner's novel.

NATIONAL THEATRE. S 928 2252. OLIVIER (open stage): Last 4 Perfs Today, Mon, Tues & Wed 11.00 am HIAWATHA by Michael Bogdanov (Adults £4.00, 18-year-olds & under £2.00. No day seats). Ton't, Mon 5.30 THE ORESTEIA in its entirety (please be prompt for 5.30 pm start—regret latecomers must stand 'til interval). LYTTELTON (proscenium stage): Today 3.00 & 7.45, Mon 7.45 THE SECOND MRS TANQUERAY by Arthur W. Pinero.
COTTESLOE (small auditorium—low price tkts): Today 3.00 & 7.30. Mon 7.30 TRUE WEST by Sam Shepard.
Car park. Restaurant 928 2033. Credit card bkgs 928 5933.
NT also at HER MAJESTY'S.

NEW LONDON. CC Drury Lane, WC2. 01-405 0072 or 01-404 4079. Evs 7.45. Tues and Sat 3.0 and 7.45. The Andrew Lloyd-Webber-T. S. Eliot Award Winning musical CATS. Group bookings 01-405 1567 or 01-379 6061. LATECOMERS NOT ADMITTED WHILE AUDITORIUM IS IN MOTION. PLEASE BE PROMPT. Now booking till Sept 4.

PALACE. CC 01-437 6834. Andrew Lloyd-Webber's SONG AND DANCE. A concert for the theatre, starring Marti Webb in TELL ME ON A SUNDAY & Wayne Sleep in VARIATIONS. Mon-Fri 8 pm. Mats Wed 3. Sats 5.45, 8.30. From March 28. Press night Wed April 7 at 7 pm.

PHOENIX THEATRE (Charing Cross Road) 01-836 2294-3611. Evgs 8.0. Fri & Sat 6.0 & 9.0. ONE MO' TIME! THE GREAT NEW ORLEANS MUSICAL! ONE MO' TIME IS A GOOD TIME! Group sales 01-379 6061. Ring Teledata 01-200 0200 for instant confirmed CC bkgs. 24 hours personal services available.

PICCADILLY. S 437 4506. CC 379 6565. Group sales 01-836 3962. 379 6061. Prestel bkg Key 220 2324. Mon-Fri 7.30. Mat Wed 3.0. Sat 5.30 & 8.15. ROYAL SHAKESPEARE COMPANY in Willy Russell's new comedy EDUCATING RITA.

PRINCE EDWARD. Old Compton St. Tim Rice and Andrew Lloyd-Webber's EVITA. Directed by Harold Prince. Evgs 8.00. Mat Thurs (economy price) and Sat 3.0. Evg perf ends 10.15. S. Box Office 437 6877. CC Hotline 439 8499. Group sales 379 6061 or Box Office. For instant 24 hr bkgs ring Teledata 01-200 0200.

PRINCE OF WALES THEATRE. 930 8681. CC Hotline 930 0846 or Teledata 01-200 0200 (24 hr bkgs). ROY HUDD, CHRISTOPHER TIMOTHY in UNDERNEATH THE ARCHES. A musical of the Flanagan & Allen story. Evgs Mon-Thurs 7.30. Fri & Sat at 5.15 & 8.30. PERFS AS NORMAL ON GOOD FRIDAY AT 5.15 & 8.30. Group sales Box Office 01-379 6061.

QUEEN'S. S CC 01-734 1166. 439 3849-4031. Group sales 01-379 6061. Evenings 8.00. Mat Wed 3.00. Sat 5.15 and 8.30. ANOTHER COUNTRY by Julian Mitchell.

RAYMOND REVUEBAR. CC 01-734 1593. At 7.00, 9.00 and 11.00 pm. Open Suns. PAUL RAYMOND presents THE FESTIVAL OF EROTICA.

ROYAL COURT. S CC 730 1745. Last Two Perfs Today 4.0 & 8.0. Mat all seats £2. OPERATION BAD APPLE by G. F. Newman.

SAVOY. S 01-836 8888. CC 930 9731. Today 6.00 and 8.45. SIMON WARD, BARBARA MURRAY, CLIFFORD ROSE in FRANCIS DURBRIDGE'S Hit Thriller HOUSE GUEST. LAST PERFS. ENDS TODAY.

SAVOY. S 01-836 8888. CC 930 0731. Red price prev Mar 30, 7.45. Opens Mar 31 at 7.0 sub evgs 7.45. Mats Wed 2.30. Sats 5.0 & 8.30. MICHAEL FRAYN'S NEW COMEDY NOISES OFF. Directed by MICHAEL BLAKEMORE.

CONTINUED ON NEXT PAGE

COLLECTING

Putting your shirt on the sheikh

BY JANET MARSH

IF RUDOLPH VALENTINO had lived, he would have been 87 next birthday, a venerable Italian gentleman, certainly bald, probably stout and most likely all but forgotten. As it was, he died young and at the peak of his career; and to this day he remains the quintessential image of exotic romance.

For the American woman of the 1920s he was something still more potent. As *Life* wrote, a quarter of a century after his demise, he was "the symbol of everything wild and wonderful and illicit in nature!" Before Valentino the American male—the movie archetype was Douglas Fairbanks—was aggressively virile, physically energetic, emotionally adolescent. Valentino was exotic, erotic, passionate, sensitive, pliant. He wore silks and flowing robes, slicked his hair, used perfume, let his lips tremble and his eyelids droop in unabashed intimation of intended seduction. Short-sightedness gave a special mystery to the melancholy eyes which acquired a unique luminosity under the studio lights. He danced exquisitely.

American men tended to be as resentful as their womenfolk were adoring. Towards the end of his life, Valentino—who from every account was in private life a charming, gentle, unassuming man—was troubled by the tendency of newspaper moralists to attribute a general decline in American manhood wholly to his personal influence. "What has become of the old caveman line? Do women at heart belong to the Wilsonian era of 'I Didn't Raise My Boy to Be a Soldier?'" grouched the Chicago Tribune in its attack upon him. The hypersensitive star countered by giving wide publicity to his prowess as a sportsman and pugilist.

Valentino had arrived in the United States in 1913 as an 18-year-old immigrant Rodolfo Alonzo Raffaele Pierre Filibert Guilelmi di Valentina d'Antonguolla, after failing the course at the Venice Military Academy. He picked up a living as he began to get a little work as gardener, waiter, taxi-dancer and exhibition dance partner before he began to get a little work as an extra in films. His big chance came when the writer June Mathis persuaded Metro to star him in *The Four Horsemen of the Apocalypse*.

His career as a star lasted only five years, during which he made a mere dozen films—several of them flops. That brief period, culminating in *The Sheikh*, was enough, however, to enshrine him as the screen's immortal romantic idol.

The corporeal Valentino was not immortal. In 1926, at only 31 years old, he died of complications following an operation for a burst stomach ulcer. It was the signal for the most elaborate display of mourning ever staged. Hundreds were crushed and injured in the mobs that thronged the streets around the funeral parlour where he lay in state. Movie stars swooned dramatically at the bier. Around the world there was a spate of suicides among young women.

A cult was launched that has dwindled but never wholly died. Valentino fan clubs still function in many countries. A memorial service is still held in Hollywood each year on the anniversary of his death, though attendances are not what they were: and the celebrated, unidentified, veiled "Lady in Black" long ago ceased her ceremonial visits to the mausoleum.

That special fetishism which attaches to souvenirs and memorabilia of film stars reached a peak of intensity with Valentino. The first chance for Valentino collectors came a few months after his death, when his estate was sold up to pay his debts in December 1926. The auction room was crowded with sight-seers and bargain hunters; but sad to say the collections of antiques, armour, jewellery, paintings and books which Valentino had

bought (with more discrimination than most Hollywood collectors of the day) were mostly undervalued. Even the Avion Voison phaeton automobile which had cost him $14,000 in 1925 (and which is still running today) made only $2,300.

No doubt the fetish-hunters would have been more enthusiastic about the 60 lots of wearing apparel listed in the luxuriously produced catalogue of the sale. Discreetly, however, the star's executors withdrew these on the day of the auction. They included 30 business suits, 111 assorted ties, 124 assorted shirts, a bathing suit, a pair of trunks, 17 pairs of white silk drawers, six pairs of garters with tassels, and 59 pairs of assorted shoes.

Now, half a century on, one or two of the same items—most evocatively a shirt worn by Valentino in *Son of the Sheikh*—featured in a sale of Valentino memorabilia at Christie's South Kensington. Times have changed: there is not quite the same glamour as at that auction of 1926; the Valentino items figure in a more general sale of opera, cinema and stage costumes on April 20; and will probably be upstaged on this occasion by such items as a fur-trimmed gown worn by a later (and equally ambivalent) sex symbol, Marlene Dietrich, apparently in Alfred Hitchcock's British-made *Stage Fright*.

This particular Valentino collection has a touching three-generation history, to remind us how long ago it is since Rudy's star was in its full ascendant. The collection was formed by Maria Carmina Elliott, who founded something she called "The Rudolph Valentino Collection." She bequeathed it to the Countess Patrizia Giri de Tera Malla (nee Laura Salerni: the Italian connection with Valentino has always remained strong), who in her turn bequeathed it to the unnamed lady who is now selling it.

As well as the *Son of the Sheikh* shirt, and quantities of photographs, cuttings, books, and the like, there is a mask worn in *The Eagle* and Valentino's personal dressing case. The case is accompanied by a letter from Valentino to the maker, Alfred Clark of Conduit Street, asking him to renovate it and promising to collect it on his forthcoming trip to London in December, 1926. The letter was written in July of that year: a month later the star was dead and had passed into legend.

Roses, Lenten roses, all the way

GARDENING

ARTHUR HELLYER

THE LENTEN ROSES are now at the height of their flower display and it is a good moment to take stock of them and of their relations in the hellebore family. As a popular name Lenten rose really belongs to a single species, *Helleborus orientalis*, in all its many subtle colour variations but in gardens it does duty for other species such as *H. abchasicus*, often listed as *H. colchicus*, and *H. antiquorum* as well as hybrids between them. Since all perform a similar decorative role in the garden and have identical requirements there is no need to be pernickety in distinguishing between them and Lenten rose does very well to cover the lot.

The most surprising thing is that, though the Lenten roses have a wide range of colour variations from pure white, through whites variously speckled with purple to what a friend expressively calls pigeon pinks and then on through muted purples to deep maroon, few have been given distinguishing names. [illegible]ham Nurseries have four: an early flowering maroon named Heartsease, a redder shade called Maroon, a pure white listed as such, and a pink named Winter Cheer, and that about sums it up. I suppose the explanation is that Lenten roses multiply so readily by seed, often self-sown, and the seedlings give such an excellent variation that it is much cheaper to increase them in this way than to undertake the slow process of multiplying selected varieties by division.

If one includes the deep maroon species *Helleborus atrorubens*, which starts to flower in January before its leaves appear, Lenten roses can be in bloom for five months from then until May and even after that the faded flowers are not displeasing. With handsome, many-fingered leaves, evergreen to some kinds and a readiness to thrive in shady places and it is small wonder that these are plants gaining rapidly in garden favour.

Even better for foliage than any of the Lenten roses is the Corsican hellebore, *Helleborus corsicus*, an all-green plant, a good 2 ft high when doing well, with three parted, saw-edged leaves so firm in texture that they always hold themselves proudly to the sky. This is, in fact, one of the few hellebores that actually prefers sunshine to shade though it will grow in both.

It reproduces itself by self-sown seed even more freely than the Lenten roses and its apple green flower heads can be decorative from January to June.

By comparison the Christmas rose, *Helleborus niger*, is a lowly and often rather mopey plant seldom flowering at Christmas as its name suggests it should, but very lovely when its upward-facing white flowers are produced as freely as they can be in favourable conditions. I suspect that this species needs lime more acutely than any of the others, which is probably why I could grow it when I gardened on limestone but have difficulty in keeping it alive now that my soil is moderately acid. The Christmas rose has been crossed with *H. corsicus* to produce a hybrid named *H. nigricors* which is much more like the Corsican parent but bushier and more wide spreading.

There is not such a thing as a brash hellebore, but the quietest beauty of the lot is the unfortunately named *Helleborus foetidus*. This plant does not stink, as its name implies, and it has the darkest of dark green leaves cut into narrow deeply saw-edged segments. These form the background for large clusters of small bell-shaped flowers, each bloom apple green with a reddish bronze rim. This is a rather scarce native plant well worth a place in the garden.

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SPORT

The changing face of sport: Financial Times writers report

Golf and the march of time

BY BEN WRIGHT

AS THE dust literally settled at the Tournament Players' Club near Jacksonville, Florida, and the cries of anguish from its many tortured victims died away on the brisk March breeze, it is inarguable that the Tournament Players' Championship was a gigantic success. The concept of "stadium golf" that enable tens of thousands of spectators to gain uninterrupted views of all 18 holes from vast, artificially created grass mounds drew the biggest crowds ever seen in the area for a golf tournament.

They were amply rewarded by Jerry Pate's grandstand finish of two brilliant birdies at the last two holes to snatch victory and the $90,000 first prize by two strokes from Scott Simpson and little known Brad Bryant, with Pate's crestfallen brother-in-law Bruce Lietzke a further shot back in fourth place. Poor Lietzke, tied for the lead with Bryant overnight, still led by one shot from Pate and Bryant with five holes to play.

But he could not match Pate's magnificent birdie at the tortuous 438 yards 14th hole, and cut his second shot into the lake at the short but dangerous par five 16th of 497 yards, the best birdie opportunity in the last six holes, to take a sorry six.

Pate fashioned his birdie at the island 17th of 132 yards, where the green, shored up by railway sleepers, is almost surrounded by water, with an eight iron shot and 15 foot putt. At the 440 yards 18th, with water all the way down the left, Pate's drive was perfect. His 175 yards second shot with a five iron, uncannily reminiscent of the stroke he played to win the U.S. Open in Atlanta in 1976 to within a yard of the hole, stopped a similar distance away. Although Simpson birdied all of the last three holes and Bryant the 16th, Pate had made only one mistake all day in a superb round of five under par 67 when he dropped his only stroke to par at the fifth hole. He really outclassed his rivals.

As thoughts naturally turn to the forthcoming Masters tournament at Augusta, Georgia (April 8-11) controversy continues to rage over the Pete Dye-designed Tournament Players' Club. In my judgment it is a definite work of genius, but in all truth it is a trifle too relentlessly severe. It demands pinpoint accuracy of every shot at every hole. But the undulations of the greens are sometimes so fierce that even a well-nigh perfect shot is ruthlessly punished.

In incorporating all the facets of the terrain into every hole, notably tall pines and palms, vast "waste" bunkers where the hare earth and sand is left untended, grass and sand pot bunkers galore, huge sand bunkers, semi-tropical shrubs and clump grasses, and the ever-present water hazards, Dye has restricted grass maintenance to a minimum — only about 40 acres.

Form is much easier to assess at the Masters. At Augusta National there is ample room for error on the very wide fairways. there is little rough, but only by placing the drive correctly can the pins really be attacked. And the bent grass greens, introduced last year, should be lightening fast.

So we are looking for the longest, straightest drivers who move the ball from right to left, the best putters, and above all golfers of proven courage and character. Pate obviously comes into that category, and there are signs that at last he is approaching maturity. Hale Irwin, brilliant winner at Inverrary on the eve of the TPC, flattered only to deceive in the latter. Having shared the lead at halfway he fell away with rounds of 75 and 77, and still finished only 10 shots behind Pate. He is a man for the big occasion, and cannot be let off my short list of six against the field.

Ray Floyd, the 1976 champion, shows encouraging signs of coming to hand at the right time after a slow start. Craig "The Walrus" Stadler gets better and better despite his self-destructively violent temper. Andy Bean, winner of the recent Doral Open, is a long hitting giant back to his best after nearly a year's absence through injury; strong, straight and marvellously deft around the greens.

So who shall be the sixth man? I have a hunch that Tom Weiskopf, four times a runner-up at Augusta, could win the green jacket he covets so assiduously—at last. But this one is a choice from the heart—definitely not the head. If I was to seriously nominate a dark horse it would be Curtis Strange.

Chichester's revolutionary squash court

Murder in the squash court

Jonah Barrington's latest book on squash has an apt title: "Murder in the Squash Court—the only way to win." Those ten words say all there is to say about Barrington's relationship with the game of squash. He is obsessed by it. In the late sixties, he drove himself, via a punishing physical fitness routine, to six British Open championships. He, more than anyone else, has popularised a game which today is the fastest growing sport in Britain, with some 2¼m participants.

Now Barrington has a new goal. He wants to bring the spectators in. Above all, he wants to turn squash into a television sport. He knows all the objections—the game is too fast; you cannot see the ball on television; the rallies are too long. "We're going to put the mockers on the doubting Thomases. It may take 12 months, but we'll do it."

If you are one of the doubting Thomases, then tune into World of Sport today. You will see two classic but sharply contrasting examples of murder in the squash court. You will see 35-year-old Geoff Hunt, king of the men's game for most of the last ten years, now sadly yielding to his age. In Toronto recently, he surrendered his world champion's crown to an 18-year old, Jahangir Khan of Pakistan. In Chichester on Wednesday of this week, plagued by a back injury, outplayed, outthought and outrun, he came close to losing his pride.

On television this afternoon, you will see Hunt wilting under Khan's pressure, until he faces match point at 9-2, 9-2, 8-0 in the final game—what would have been a crushing and comprehensive defeat. Then you will see him lift his game in one last spasm of resistance. For 15 minutes he gets back at Kahn, and forces him into a string of errors. But the effort is too much. Khan is ready for the kill, and in the last point of the game, leaves an exhausted and beaten Hunt stranded on the T.

But don't miss the Women's Final at 12.45. It goes to five sets, and 9-7 in the final set. In the last game, with both girls, Britain's 18-year-old Lisa Opie and Australia's vastly more experienced Vicki Cardwell, close to exhaustion, the referee adds to the drama with a succession of dreadful decisions. After nearly an hour and a half on court, the audience of 1,200 at the Chichester Festival Theatre are on the edge of their seats.

Twelve hundred people? The Chichester Festival Theatre? Yes. You will be seeing something much more than two outstanding games of squash. The Patrick International Championships at Chichester were played in a new, experimental plastic court. It works on the same principle as those car windows that you can see out of but not into. When all the bugs have been ironed out of it, spectators (and TV cameras) will be able to watch squash from any angle. The audience will see in, but the players will not see out.

It is this breakthrough that is so exciting Jonah Barrington. If it can be made to work, squash can take off in two separate directions. First, it can become a mass spectator sport—the 1,200 mostly young (average age about 30), mostly male (about 6:1 ratio) audience which gathered round Chichester's apron stage this week represented the largest indoor audience ever to watch a game of squash.

For this writer, it was an exhilarating experience. I am a twice a week squash player who uses the game in a futile attempt to defer the advance of middle age. I had never seen championship squash live before.

Squash in the Chichester festival theatre did work. It worked from the back; and even though the plastic side walls were rather opaque, it worked from the side as well, where you get a far better impression of the speed of the ball and of the movement of the players than from behind.

And it worked as theatre. Jonah Barrington talks about "the bear pit atmosphere" created by Chichester.

He is already dreaming of a championship at Birmingham's National Exhibition Centre, with spectators surrounding the court, where in his new role as squash's principal television commentator, he will be able to give vent to his full range of gladiatorial metaphors.

What is not yet clear is whether it will ever work as well on television.

Television's biggest problem—particularly if squash is ever to capture the interest of what Barrington calls the "Fred and Frieda audience" and follow snooker and darts into our living rooms—is the nature of championship squash. It is not the game that 2¼m of us play—at least not the men's game.

Khan and Hunt are so good and so fit—Khan trains for seven hours a day, including a minimum of three hours on court—that there is no such thing as a winning shot. Their balance is so perfect, their anticipation so sharp, that they reach every ball, without ever seeming to break into a run. No ball is unplayable.

So the game develops into what Barrington calls "formal patterns"—long rallies, many of over two minutes, where the key to the play is building on a perfect length to the back of the court. Each player waits for the other to crack.

The girls' game, by contrast, is quite different. Precisely because Lisa Opie has about a yard less speed than Jahangir Khan, she can and does play winners. She varies her play. She plays the drop shot to the front of the court, and if the shot is perfect enough, as it was many times on Wednesday night, Vicki Cardwell cannot reach it. "I'm enjoying this game far more," said my neighbour when the two girls reached two all, and the theatre was buzzing in anticipation of the climax. "I can relate it to the game I play every week."

Barrington understands all this. But neither he nor anyone else is quite sure what it will mean in television terms. "Squash is a game of very overt aggression. Will women enjoy seeing other women acting in that way?"

Published by Stanley Paul, £5.95.

David Palmer

That dark blue feeling

ALTHOUGH OXFORD go to the stake-boats this afternoon (2.30) determined to clinch their seventh successive victory, there is every sign that this year's University Boat Race from Putney to Mortlake will be much less of a procession than in the recent past. If Oxford can pull off another win, it will be their best performance since 1890-1898, when Oxford won nine races in a row, although Cambridge won 13 in a row in the inter-war years.

But Cambridge are tough, and equally determined to end Oxford's run. The defeats that the Cambridge University Women's eight and the Men's Lightweights inflicted on their Oxford counterparts at Henley last week-end have given the Light Blues some heart for the major task today.

In the past two weeks' training on the Tideway, blessed with some of the finest weather and calmest conditions seen at this time for years, both crews have settled down well. In the past week particularly, in near-perfect conditions, both have set some impressive performances. A new practice record from Hammersmith to the University Stone by Cambridge of 6 minutes 53 on Tuesday evening was beaten by Oxford with 6 minutes 46 seconds on Wednesday evening. Oxford are much less ragged than they were, and both crews have been perfecting their stake-boat starts in practice this week. With Oxford's substantial advantage of about half a stone a man over Cambridge, they are better placed to navigate any rough water likely to be encountered on the Tideway, while it will also give them an edge over their opponents if this week's calm conditions prevail.

Oxford is also better placed with four Old Blues in the boat, to Cambridge's one. They include the indomitable Sue Brown as cox, who has demonstrated admirably in the past, both on the Tideway and elsewhere, that she can cope with whatever weather, water and the opposition can throw at her.

It is not always, however, the better and fitter crew that wins the Boat Race. A great deal of tactical skill and even a little luck, are essential to cope with the vagaries of wind and stream on the day—skill in detecting and using any subtle shifts in the current, and luck in winning the toss for the choice of station to get what shelter one can from the wind. Boat Races are rarely rowed on calm, fine days—although that may be possible this year—and on such occasions fitness, courage and stamina usually win.

But more often the weather is bad, and the combination of wind and rough water, coupled with nervous tension, can exhaust even the fittest oarsmen well before the race is over. The old adage that the race is won or lost by Hammersmith Bridge is not always true, but it has happened often enough in the past for it to require nothing short of a calamity—such as an oarsman collapsing or catching a crab, or the boat sinking in really rough water (all of which have happened)—for the crew leading by a comfortable margin at Hammersmith to be overtaken and beaten. Win the toss, choose the correct station, according to the wind, and get away fast is the advice usually offered by Old Tideway Hands, and it remains true every time.

It is the sheer unpredictability that makes the Boat Race such an attractive sporting event. In a race so deeply influenced by weather and water conditions, nobody ever knows just what the situation will be until the very moment of the race, for it can change from minute to minute over the nearly 4¼ miles of the course to Mortlake. Crews, too, can make silly mistakes, such as rowing too far downstream before the race, shipping too much water and tiring themselves before the start—all of which has also happened in the past. But whatever happens today, and whoever wins, it will still be one of the best sporting spectacles in this country this weekend.

Michael Donne

SPORTS DIARY

RACING: The Lincolnshire Handicap, Doncaster today.
ROWING: The Boat Race, Putney to Mortlake, today.
Gymnastics: Daily Mirror Championships, April 3.
SQUASH: British Open, Bromley, Kent, March 29 to April 8.
RACKETS: Celstion Open Doubles, The Queen's Club, March 29 to April 7.
SWIMMING: Coco Cola National Short Course Championship, April 1-4.

RACING

DOMINIC WIGAN

UNLESS Clive Brittain and several noted work watchers were well wide of the mark in their calculations, Winart will be extremely hard to beat in today's Lincoln.

Winart, for whom a high draw will probably be no handicap in today's William Hill-sponsored race now that the course has dried out, looks a reasonable each way bet at odds of around 8—1 as does the longer-priced King's Glory.

The pair, who represent my two against the field, are drawn next to each other at 23 and 22 respectively in a 26-runner field.

Judged on their best form of 1981 the Epsom-trained King's Glory will have a few pounds in hand. However, against that there is the point that the Newmarket four-year-old proved by far the more reliable of the two: finishing in the frame on all his seven appearances. King's Glory, in contrast, failed to reach the first three in six attempts before recording a 25—1 success in the Tia Maria Autumn Handicap at Newmarket in October.

There is likely to be little in it at the finish with so many strongly fancied by their connections, but King's Glory at 12—1 seems to be the race's best win-and-place value.

DONCASTER
2.15—Airspin
2.55—King's Glory***
3.25—Bundle of Kisses
3.55—Sayyaf
4.25—Kildaire

NEWBURY
2.00—Sub Rosa**
3.05—Carved Opal
3.35—Hill Green*

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Saturday March 27 1982

Voting for balance

MR ROY JENKINS' win in Hillhead is not only a crucial matter for the centre-party Alliance; it says something important about the electorate. Mr Jenkins, after all, is the one opposition ex-Chancellor whom Mrs Thatcher admires, because he balanced the Budget. That act of austerity was blamed by Labour for the loss of the 1970 general election.

In 1982 Labour has lost again, running against Mr Jenkins. Fiscal austerity clearly makes sense to a majority of voters in Hillhead and indeed in the country; Mr Jenkins and Mrs Thatcher between them have a strong majority.

When this kind of thing can happen at the bottom of a recession, in an area suffering particularly heavily from high unemployment and university cuts, the meaning becomes clearer. The "new realism" which the Government claims to see in recent wage settlements does seem to be something more than the fear of the sack. The dash-for-growth school of the Labour Party, the TUC, and an apparently dwindling band of wet-looking Conservatives is left talking to itself.

Worried

The political debate will shift to priorities within a fairly tight, generally accepted, constraint. Mr Jenkins would cancel Trident and probably spend a good deal more on investment: some Tories, such as Mr Heseltine with his new indexed-financed inner-city schemes, would probably agree. Neither side of this argument, though, would go for heavy deficit financing; Mr Jenkins seems to represent fiscal rectitude with a human, claret-drinking face.

The markets therefore took an not-unexpected Tory setback very calmly. They are much more worried, as is the Bank of England, by events in the one country which is still apparently trying to live by the old expansionist rules—the U.S.

Estimates of the U.S. federal deficit are still rising daily, and the markets are worried about yet higher real interest rates. Sterling, sustained until very recently by sales of commercially-held dollars to pay U.S. tax, has begun to look a little shaky again, and upset the chartists of Chicago.

Unlikely

If our own tentative recovery is really going to be blighted in this way, then despair might drive the public back to the old remedies of economic isolationism and fiscal push. President Reagan could prove the last realistic hope of the Labour Party. That is the nightmare; hnt calm analysis suggests that it may he little more than a nightmare, for both political and market reasons.

Politically it seems unlikely that either the President or Mr Paul Volcker will prove as immovable as their recent statements might suggest. Both are in different ways increasingly isolated.

The President has lost his hold on public esteem, and thus his power to appeal over the head of Congress; compromise seems inevitable, and Mr Reagan is simply trying to limit what must seem to him the damage to his programme.

Brinkmanship

Mr Volcker retains general confidence, but the financial system over which he presides does not. The threat of financial failures is even more powerful than the threat of slump in producing cash injections from central bankers.

Like the President, Mr Volcker and the Fed are engaged in a kind of brinkmanship. Within limits, the growing awareness of financial risk which is already apparent among U.S. investors is very helpful; it will restrain unwise lending without any push from the Fed. Caution is desirable; panic is not.

The coming clash, then, between an uncontrollable deficit and an immovable Fed does not seem likely to live up to its advance billing. That may be one reason why the markets have been sullen rather than panicky in recent weeks; but there are others just as important. They are reasons connected with Opec financial flows, and with the general history of market swings.

Fundamentals

Estimates of the Opec balance of payments surplus seem to fall just as fast as estimates of the U.S. deficit rise; and the decision a week ago to cut production substantially has reduced them further. The surplus for the group as a whole may now turn out at $30bn or less, despite huge investment income. Only two years ago the surplus was more than double the size of the U.S. federal deficit; it is now less than a quarter. That is why it takes an ever-bigger interest rate differential to attract the external flows the U.S. needs.

In any case, no currency can be boosted indefinitely through deficit, as UK experience in 1980 and 1981 showed. Investors can be attracted in the short term by high returns, but as time passes they look at the fundamentals — and the fundamental American problem, an effort to finance a potentially inflationary armaments drive on horrowed money, is forbidding. In the end the markets, like the electors of Hillhead, are likely to vote for balance.

POLITICS TODAY

Now—a real three-horse race

By Malcolm Rutherford

AFTER the by-election in Hillhead, British politics has become a real three-horse race. Mr Roy Jenkins is back in Parliament and will almost certainly become leader of the Social Democratic Party, and then of the SDP-Liberal Alliance.

In a way, that is what we all expected to happen. It just seemed like a long time coming —a year to the day since the SDP was founded. But it is first worth noting the element of chance.

Glasgow Hillhead was an odd constituency in which to play out the future—if it is the future—of British politics. It has an electorate of less than 40,000, against a national average of around 65,000. Because it is in Scotland, it has an extra dimension in the form of the Scottish National Party. It was always possible that the SNP would take a decisive part of the protest vote that in England would have gone to the Alliance.

If Mr Jenkins had lost, be could have had plenty of excuses—not only the nationalist factor, hut also the truth that in the bottom of the constituency there is still a solid working class Labour Party vote.

It was conceivable, too, that the vote might have split pretty evenly four ways: say around 25 per cent each for the Tories, Labour, Scot Nats and the Alliance. What would have heen the judgmeot then about the working of the British electoral system and its insistence that the candidate with the most votes in a single hallot is the outright winner?

One is left with the impression that the Hillhead by-election was rather like American Presidential primaries in New Hampshire. It is a small, not terribly representative state, but it happens to vote first and it can do a lot to make or hreak a candidate's chances. The degree of risk is high and the system less than perfect.

Still, Mr Jenkins took the risk and won, and it would be churlish not to congratulate him. If he had lost, that would bave been the end of him so far as his hopes for the leadership of the SDP were concerned. As it is, there are three parties starting off—probably two years before a general election—on more or less level pegging.

Trying to analyse the Hillhead result reminds me of elections in West Germany. The Germans have a multi-party system, though with different electoral rules from ours. Yet almost whatever the result, especially in regional elections, it nearly always turns out that there is something in it for everyone.

So it is with Hillhead. Mr Jenkins was the winner, bnt neither the Tories nor the Labour Party did all that hadly.

Take the Labour Party first. Of course, as Mr Michael Foot has admitted, it was a disappointment not to win. In terms of the old politics—a Tory Government and around three million unemployed—the Labour performance was downright appalling. But these are not the old politics, and Labour leaders were already conceding defeat before the voting took place, despite the Gallup poll in the Daily Telegraph which predicted a Labour victory.

Labour may, however, have achieved something else. It has gone back to base. There was an entirely identifiahle Labour programme coming across in the Hillhead campaign. Mr Tony Benn, Mr Foot and Mr Denis Healey all spoke on successive nights as if they belonged to the same party and with a genuine desire to put past differences behind them.

There were two common themes: johs and peace. The employment issue hardly needs stressing, but what was notable in Hillhead was the feeling against nuclear weapons. The Government's decision to acquire the Trident missile system was not always popular even among its own supporters.

True, that may have had something to do with Trident having a hase on the Clyde. Illogical though it is, some people appear to favour a strategic nuclear force, provided it is not on their own doorstep. But the issue was cleverly exploited both by Labour and the Scottish Nationalists, with the Campaign for Nuclear Disarmament behind both of them. It would he a mistake to assume that Labour is necessarily on to a loser.

My own view is that the Labour Party will become rather like the Communist Party in France. It is not meant to be an insult, for the key question is: why does a nation as civilised as the French continne to support the CP in soch numbers? Clearly there is a desire to maintain an at least nominally far left-wing party.

The difference lies again in the electoral rules. The French Communists tend to go for coalition in a multi-party system. Under the British system, the Labour Party could still win a general election with arouod 30 per cent of the votes.

For Labour, that is the compensation of the Hillhead result. Labour won 25.9 per cent of the votes against the Tories' 26.6 per cent. Say that the Alliance share of 33.4 per cent was a special case because of the presence of Mr Jenkins, the publicity and the razzmatazz, and it does not automatically follow that Labour is down and out.

The surprising fact about the Tories is that they could ever have talked themselves into believing that they had a chance of winning. They were defending a majority of only 2,000. Nothing in their record, either nationally or locally, suggested that they could bave held that in a mid-term by-election. If they had, It would have heen one of the most astonishing results of all time.

Yet in the end the Tories did quite well and need not be without bope for the future. Ooe of the explanations seems to lie not so mnch in the campaign as in the change that has come over Scotland in the last few years.

Scotland is no longer quite the downtrodden, exploited place that it used to claim to be in the heady days when the Nationalists were sweeping all before them. In many waya it is coming out of the recession rather better than England.

Seasonally adjusted unemployment in Scotland, for example, is now 13.7 per cent —horrendously high, but by no means the worst in the UK. In the north of England it is 14.9 per-cent, and in both the North West and the West Midlands it is above 14 per cent.

Somehow the appreciation seems to be spreading that the economic situotion is at least not getting any worse. There appear to be three basic reasons: the growth of the electronics industry, North Sea oil and the industries that go with it, and the financial services that go in their train.

There may also have been a change in attitudes of the kind which the Government is seeking in the country as a whole. Certainly it is striking that the shipyards on the Clyde—once thought to be living on horrowed time—are now winning orders against international competition.

To be sure, there remain pockets of the most dreadful deprivation, even in Hillhead. But if the Tories could concentrate on relieving particular evils while emphasising the Scottisb example as a microcosm of bow they would like the economy in general to develop, they might have a successful tale to tell.

What is odd is that it is all bappening in a vacuum. Very few people outside Scotland seem to be aware of the progress that bas heen made, or of the fact that a great deal of it is a result of the regional policy and support to industry that the Government's rhetoric derides.

The main business for the SDP now is to accelerate its leadership election. Most of its key figures would like to bring it forward to July or even June rather than wait till the autumn, as was the original plan. But it is a ticklish prohlem whether that will he constitutionally possible.

The party's draft constitution is due to go out to its members for approvol early next month and it might he feasible to add a question about bringing the election forward at the samo time. As of yesterday, however, no-one was quite sure.

Yet the longer-term prohlem still seems to me to be one of establishing a homogeneous base. Mr Jenkins hos emerged from Hillhead with SDP policies not conspicuously clearer. He appears to be against Trideot, for example, hut would not cancel it if the programme were already under way. And he got bimself into a considerable mess on the law and order issue at a press conference this week when he seemed not to know that criminal justice is administered differently in Scotland. At times he can look distinctly fallible.

The Alliance has picked up the 15 per cent or so Liberal vote that we always knew existed in the couotry and the SDP has added a good 15-20 per cent of its own. Allow for the spoiling effect of the Scottish Nationalist in Hillhead, and you could say that the Alliance really polled around 40 per cent, which is impressive by any standards.

But we still do not know how much of that is a protest vote in mid-term, nor do we know what it is that holds the Alliance together. From now onwards policies are going to be much more important, and in that sense the two established parties are already reasonably well prepared. In future, the squeeze could be on the Alliance to say where it stands on particular issues.

Still, Mr Jenkins deserves credit for bringing the Alliance to the starting line as an equal contender, and all within a year. In a three-horse race under the British rules almost *anything can happen.*

Here, for instance, are the results of the general election of May 1929: Conservatives 38.2 per cent, Liberals 23.4 per cent and Labour 37.1 per cent. The distribution of seats was as follows: Conservatives 260, Liberals 59 and Labour 288.

That is the sort of outcome which suggests that Labour still has a chance, though the thought of a left-wing Labour government coming to power with (say) 70 per cent of the votes cast against it must give pause even to some Labour supporters. It is exactly the sort of result that hrought Allende to office in Chile.

Springs

‘Still, Mr Jenkins took the risk and won, and it would be churlish not to congratulate him. If he had lost, that would have been the end of his hopes for the SDP leadership’

Letters to the Editor

Tax

From Mr A. Sutherland

Sir,—Mr Lewis (March 12) complained of injustice. My reply (March 16) was that the remedy was in his own hands, since a 1982 valuation hase for subsequent indexing of capital gain could he achieved hy bed and hreakfasting.

Whether it would in fact be beneficial to do that in a particular case would depend on the amount of the gain compared with the new exemption of £5.000, the distrihution of the gain before and after 1982, and the transaction costs. Mr Goodman (March 22) asserts: "Given that the tax paid has an opportunity cost of a factor equal to inflation, bed and breakfasting has no advantages." That ignores other relevant factors, and so is incorrect.

Mr Lewis is not satisfied (March 20): "One should not be forced to bed and breakfast merely to be treated on a similar basis to others." But there are at least two relevant sets of "others." Mr Lewis concentrates on the treatment of those who buy assets in 1982. But some CGT was collected between 1965 and 1982 from the other relevant group, i.e., those who realised some gains, and therefore paid tax under a harsher CGT regime. If a realisation of gains accruing since 1965 is made in 1983, then the tax paid will be less than that on gains from the same period which were realised earlier, because the exemption is greater, because the purchase price is partially indexed, and because the tax has been paid later. If, as Mr Lewis also postulates, "everyone is to be treated the same for gains up to 1982" then these tax advantages would have to be removed. (Mr Shirley, March 18, also omits them.)

If CGT in future were to be collected annually on accruals and not just realisations of real gain, and were to be taxed at income tax rates, then what Mr Lewis suggests about establishing a common starting point, regardless of differences in experience before 1982, might hava more merit. As it is, the Chancellor has surely done more than enough for those still locked in to gains which have accrued since 1965.
Alister Sutherland.
Trinity College,
Cambridge.

Confectionery

From the Director,
Cocoa, Chocolate and
Confectionery Alliance

Sir,—In his report (March 18) of the take-over of Callard and Bowser Nuttall by Beatrice Foods, David Churchill says that the high volume end of the confectionery business has suffered badly from the recession, and that confectionery sales have been hit by the fast-growing snack food sector.

We do not have figures to tell us how fast the savoury snack food sector may be growing, but 1981 statistics indicate that manufacturers' despatches of chocolate confectionery were 360,325 tonnes—an increase of 8,565 tonnes, or 2.4 per cent over 1980. It is trua that sugar confectionery volume has declined by some 3 per cent over the same period but taking chocolate and sugar confectionery together, total UK despatches are about the same as 1980 at 626,850 tonnes.

The evidence of the past two years' figures would not, therefore, appear to support the view that confectionery sales hava been especially hard hit by the recession or by the growth of the snack food sector.
J. E. Newman.
The Cocoa, Chocolate and Confectionery Alliance,
11, *Green Street, W1.*

Auditors

From Mr R. Moreland, MEP

Sir,—In the Financial Times of March 8 your correspondent suggests that the proposed eighth directive may contain clauses which will inhibit the ability of an audit firm to carry out other work, such as consultancy, for the same client.

I should make it clear this would not be the case. The Commission stated in answer to a written question from me last April that "The proposal for an eighth directive does not prohibit statutory auditors of a company's accounts from acting as advisers in tax or other matters for the company whose accounts are audited." At no time in any correspondence with or questioning of the Commission has it altered its view or added qualifications.

Last August there was a "scare" in the financial press that the Council would alter this. The "scare" arose from Council staff inserting a change of paragraph (which they claim was on a Commission suggestion) proposing to restrict an auditor's ability to do non-audit work. This was quickly squashed and thera is no doubt that the majority of memher states support the statement of the Commission quoted above.

If any change arose I would certainly hope and expect the British government to veto it, and the European Parliament to recall the legislation for further examination.
Robert J. Moreland.
9, *St Paul's Square,*
Burton-on-Trent, Staffs.

Elections

From the Chief General
Manager,
Nationwide Building Society

Sir,—Lest any of your readers should even begin to believe that the voting procedure outlined in "Battle over a closed shop" (March 20) applies to Nationwide Building Society, I feel I must set the record straight.

Every member of Nationwide with £25 or more invested at December 31 in any year is entitled to vote in the election of directors at the annual general meeting in tha following year. Voting papers are sent to each member qualified to vote together with a reply paid envelope for the return of the completed form.

The list of candidates on the voting section of the paper is in strict alphabetical order. The reverse of the form shows the names and career particulars of all candidates grouped as to present directors who retire by rule and are eligible for re-election, and members nominated for election.

On the voting paper itself a star is shown against the names of the retiring directors with the note that the star signifies present directors who retire by rule and who are eligible for re-election. The Board considers that the overwhelming majority of members look to it to select persons to be suitable and able directors of the society and to commend their choice to the members.

All voting for the election of directors in Nationwide is hy postal ballot and no votes are cast at the annual meeting itself. Proxies are never used in an election. By providing for a postal ballot of all eligible members Nationwide offers an opportunity for every voting member to participate in the election.
Cyril English.
Nationwide Building Society,
New Oxford House,
High Holborn, WC1.

Rubbish

From Mr P. Spiegl

Sir,—The Domestic Coal Consumers Council's call for a standard quality/price for coal is timely. ("House-coal grading call" by Martin Dickson, March 18.)

As a domestic consumer of six tons of anthracite per annum supplied by an approved coal merchant, I strongly resent having to accept whatever is delivered without any control over quality.

It is interesting to note that I now pay £120 per ton for rubbish which can only be encouraged to burn by the daily application of the bottled gas poker. Not so many years ago the same product cost £18 per ton and the quality was excellent.

Can anyone tell me where I can buy a mini domestic type nuclear reactor?
Peter Speigl.
The Old Nursery House,
Wothorpe,
Stamford, Lincs.

Fares

From Mr C. Thurman

Sir,—As reported, London Transport fares have just been substantially increased. Unfortunately, increases in LT prices are not an unusual occurrence as the data in the table shows. I commute between two LT stations, Upney and Marble Arch, which is a journey of about 15 miles. I first bought an annual season ticket in 1975, since when the price has escalated as shown.

Date	Cost £	% increases Season ticket	Retail Price Index (annual rate)
July 1975	117	—	—
July 1976	209	79	13
March 1978	250	20	23
" 1979	282	13	10
" 1980	413	46	20
" 1981	469	14	13
" 1982	691	47	11 est.
Overall increase	574	491	128

The price of my ticket is not unique and for some of my colleagues it has reached such proportions that the cost of getting to and from work now accounts for something like two months salary (after deducting tax, NHS and pensions). It should be noted that during the period covered in the above table both parties bave heen in control at Westminster and Greater London Council.

LT "regret" the current increase. Much of the current debate is about the current increase and the magnitude of past increases has been forgotten or overlooked. It would he one thing if the increase in LT prices had moved more or less in line with inflation, but why has my season ticket increased by 491 per cent while the RPI has gone up hy 128 per cent?
Christopher Thurman.
11, The Drive,
Upney, Borking, Essex

Chuffed

From Mr R. Bullock.

Sir,—As a member of PRAM, the party representing all minors, I was dead chuffed to see that our pocket-money grievances got on your front page (March 22). Our situation is a national disgrace! Some of our members have even had their gobstoppers stoppad! We think wa should have parity with the other miners, the NUM.

Our other campaign is for a shorter working week — no homework on nights when Laurel and Hardy are on TV. And we want time off school, no questions asked, if suffering from Rubik thumb.

Also, please can we have strip cartoons in the paper, instead of all that boring news? Lots of love,
Roger Bullock.
7, Sidmouth Drive,
Blackley, Mancheser.

Axed

From the Managing Director,
North Western Formera

Sir,—It is, I suppose, not surprising to read in Men and Matters (March 19) that the Treasury employs a number of one-handed economists; obviously decision-taking is made that much easier. What appears ingenious is the way it has secured the services of such people. With 65 out of a total of 379½, and the reduction from 64 to 54½ in Great George Street, it has taken, presumably, to literally axing employees instead of making them redundant.
J. B. Gould,
North Western Farmers,
Market Street,
Nantwich, Cheshire.

Robert Graham, in Madrid, reports that Spain's centuries-old sherry industry fears that takeovers could alter it for ever

Why the sherry barons are nervous

NEARLY EVERY component of the traditional image of Spain is to be found in Jerez de la Frontera, often to the point of caricature. Flamenco, the guitar, fine horses and the raising of fighting bulls are natural passions for people whose siestas often stretch into the evening.

Society divides into two clear extremes: the rich, many of them idle, and the landless labourers. It is a very special community whose fate has been shaped round the prosperous business of brandy and sherry wines.

Just as brewing in Britain produced the "beerage," so the sherry trade has created its own particular aristocracy. This consists of a group of families, all extremely large and often interconnected, which over five or six generations has accumulated great wealth from the trade.

Nearly all have origins outside of Spain. Long standing trading links with Britain and France ensured that some have married abroad. For instance, the big names are frequently British or French — Byass, Domecq, Garvey, Osborne and Terry. (Many of the children are still sent to British boarding schools.)

Until four years ago these families assumed that the business was immune from recession and other financial problems.

"We thought the world needed us, people will always want to drink sherry and brandy," says a member of one of the big producers. "It came as a rude shock when dividends could not be paid. There are people here who live off this income and for them it was like turning off the tap."

All the major brandy and sherry producers have been forced to restructure, and find new sources of finance. None has been immune—not even Pedro Domecq, the most prestigious and best known company in the trade with worldwide sales last year of some $450m. Domecq reacted to the changes slower than most and its future shape is far from certain, particularly since Jerez is still alive with rumours that the Rumasa group is determined despite rebuffs to acquire control.

Domecq faces three alternatives: the existing shareholders can pump in more money, the company can seek a multinational partner or find new Spanish capital. The existing shareholders are by no means united. More than 300 members of the family hold stakes and there is a sharp division between those who will sell to the best offer and those who want to restructure the company from within.

"There are roughly 33 per cent willing to sell out to any buyer—many of these are widows," says Sr Alvaro Domecq who acts as spokesman for the "dissidents." Against this is a syndicate representing 57 per cent of the shares which consists principally of 15 per cent Banesto, Spain's largest bank, 18 per cent Hiram-Walker Espana (50 per cent owned by the Canadian group), 12 per cent Pedro Domecq Mexico (the Mexican affiliate) and 3 per cent Banco Internacional de Comercio.

The most powerful figure within the syndicate is Sr Jose Ramon Mora Figueroa, married to a Domec. Though approaching his 80s he wields more authority than his son who is chief executive. The dissidents call him "J. R." He holds an important stake via Hiram-Walker Espana, which he promoted putting up half the capital.

According to the company's president, Jose Joaquim Ysasi Yasasmendi, members of the syndicate are willing to pump in the necessary funds, around $40m. However, the syndicate was formed primarily to prevent surreptitious purchase of shares and to block unwelcome bids rather than as a cohesive group to plan the future. And it is only bound together until December 1983.

The syndicate has just fought off a bid by Spain's largest private holding company, Rumasa. The bid had the whole of Jerez buzzing with rumour. For it came from Sr Eduardo Vergara, married to one of the Domecq family and not known for his wealth. In a letter to Domecq's president, Sr Ysasi, Sr Vergara proposed a cash purchase of between 15 per cent and 45 per cent of Domecq shares at 300 per cent of their par value.

This would have meant a total outlay of over $50m. Sr Ysasi was suspicious and concluded that Sr Vergara was acting for a third party. The trail quickly led to Sr Jose Maria Ruiz-Mateos, founder and chief shareholder of Rumasa.

In Jerez there is a story, perhaps apocryphal, that Sr Ruiz-Mateos has vowed to get even with the Domecq family after the latter had humiliated his father. Sr Ruiz-Mateos's father had a very small bodega in Jerez and was not considered part of the Jerez "top drawer." A Domecq takeover by Rumasa has been long seen as the sweet revenge planned by Sr Ruiz-Mateos.

Quite apart from the humiliation of a Rumasa takeover, the Domecq board believed that it would mean a change in the nature of the company and its products. "They really feared Rumasa would alter the quality of Domecq and that the sherry business would never be the same again," commented one outsider.

The latter point appears to have played some part in Sr Vergara's decision to withdraw the offer.

The bid took the Domecq board by complete surprise. In Jerez where everyone knows each other, it was thought that any bid would be in the open. "We will only accept bids through the front door," said Sr Ysasi.

For his part Sr Ruiz-Mateos has sat back, roundly denying having made any bid. Indeed he has probably derived a good deal of satisfaction from the confusion caused. He has also been able to test quite successfully the market value of the shares. The Domecq board values their shares at 200 per cent of nominal. The blocking of the bid suggests they are worth more.

On the other hand the reaction of the Domecq board has been clear enough. If they can they will never permit Rumasa, which owns Williams and Humbert and the drinks chain Augustus Barnett in the UK, to take over Domecq. And it was not just Domecq which made this known but the other big groups like Osborne and Gonzalez Byass.

The Rumasa group already controls around 30-35 per cent of the distribution of sherry (market shares are never published and kept secret). With Domecq under his wing, Sr Ruiz-Mateos would have controlled 50 per cent of the sherry market — far too powerful a position for the rest to accept willingly.

Domecq's problems have been a combination of changes in drinking habits, the international recession and the classic difficulties of a family business. In the past ten years operating costs have more than quadrupled while the price for brandies and sherries has gone up only 52 per cent. The traditional markets abroad have been squeezed by higher taxes and tighter household budgets. Thus the UK which in 1979 was taking almost half of all Spanish sherry exports is now only buying about one third.

Domestically Spaniards have ceased to drink so much cheap brandy and have switched to medium grades. Domecq was long a leader with its cheap Fundador, brandy and has had to adjust to pushing more up-market brands. The companies have also been badly hit by high interest rates. Stock financing costs have risen in two ways. The principal foreign sherry buyers are cutting down on the quantities they are willing to warehouse, so throwing the burden of greater stocks on the producers. Declining demand has further pushed up stocks.

In Domecq's case these difficulties have been compounded by excess labour and overinvestment. "Traditionally the Domecq payroll has had little to do with business needs and has really been a reflection of the family's importance in the Jerez area," commented one member of the family. By the mid-1970s the workforce had swollen to 1,500 with nearly 300 more involved in sales and distribution. According to Sr Ysasi, cuts have brought down the workforce to 1,000 and within four years redundancies will reduce the total to 500. But redundancies have been expensive costing on average Pesetas 2m per worker.

On the investment side Domecq chose to diversify just before the onset of the recession and high interest rates. The result was that Domecq landed itself with some $40m tied up in 1,200 hectares of prime Rioja vineyards. "This was a mistake which we have to live with although we shall try to sell off some land," says Sr Ysasi. Already 300 hectares have been sold. The company also plans to cut the current number of its bodegas from 48 to 24.

These problems were at first concealed by profits from the group's international operations and affiliated companies. Via Pedro Domecq International, a wholly owned Luxembourg company, it has a 75 per cent stake in Pedro Domecq Mexico. There are also companies in Italy, Colombia, the Netherlands, Panama and Venezuela. The jewel in the crown is the Mexican operation which is extremely profitable and a market leader in brandy and tequila.

'We will only accept bids through the front door'

For instance Pedro Domecq Mexico has 52 per cent of the tequila market. Consolidated group revenue last year was Pta 45bn ($450m) with overseas profits, principally Mexico, of Pta 1.1bn.

Against this Pedro Domecq operations in Spain lost Pta 782m, pulling group profits down to Pta 300m.

Sr Ysasi believes that with drastic labour cuts, some divestiture and broadening commercial operations with Hiram Walker, Pedro Domecq can retain its present identity and above all maintain the prestige and quality of its products that it values so highly.

Nevertheless there is a limit to how long the dissident shareholders will wait for a turnround. With a third of the shareholders in various degrees of eagerness to sell, this is fertile hunting ground for any buyer. And a buyer who gets Domecq has a name that is synonymous with sherry.

Trevor Humphries

Advertising hoarding near Cadiz brings home Jerez's traditional of sherry and bulls

Weekend Brief

Up to $370,500 p.a. for nightly forecasts . . . Harrods goes East . . . London's fare rises

Where weathermen are stars

If you want to get ahead in the TV ratings of the news programmes get a good weatherman. That sems to be the policy at the big American broadcasting companies where the men and women with the charts and barometers get paid the top dollars—along with the anchormen and the sport reporters, they are the stars who draw the crowds.

According to a salary list spirited out of NBC, one of the three big networks, the weatherman at their New York TV station earns a staggering *$370,500 for his nightly efforts.* That, admittedly, is the top end of the market. But who can say that the British have an unhealthy obsession with the weather?

Unlike Britain, U.S. broadcasting stationa like to have their own weathermen rather than plug into the U.S. National Weather Service. Several private weather forecasting companies also supply a service nn contract, though all weathermen rely heavily on reports snd satellite photos put out by the Government.

Such is the glamour of weathermen that compeltion for the job is intense and not immune to deceit and scandal. In a much-puhlicised case four years ago, Dr Boh Harris, the affable meteorologist for CBS and the *New York Times*, was exposed as a fraud.

Far from having the meteorological doctorate he claimed, it turned out he was self-taught. CBS and the Times quickly dispensed with his services, but shortly afterwards he was picked up hy one of the local TV stations in New York where he now appears nightly as plain Mr Bob Harris.

Having said all that, however, there is no denying that American weather forecasters are extraordinarily good. If they say it's going to be a nice day, you can het your best suit and new hairdo it will be. And if they say it's going to start raining at three o'clock, woe betide anyone who leaves home without an umhrella. One day last winter, New Yorkers woke up to an unseasonally mild, sunny day. But the forecasters said it would be heastly by nightfall with freezing temperatures and heavy snow. Sure enough, by 10 pm, the city was under six inches of snow, and the balmy dawn seemed like yesteryear.

How do they manage so much better than those nice but much-maligned people at Britain's Met Office? They probahly have roughly the same equipment, and meteorological information is now shared worldwide.

Actually, the answer seems to be quite simple. They just watch the weather coming. Most of the time, world weather systema move from West to East. But while the Atlantic churns them up into unpredictable patterns which splatter over Europe, fronts seem to move in *nice* straight lines and at steady speeds across the North American land mass. If U.S. weathermen know a rainy front is 100 miles to the west and moving east at 10 miles an hour they can ha pretty sure the clouds will open up in 10 bours time.

But their credibility took a knock in Boston when they failed to predict what turned out to he the worst snowfall this winter. Postmortems went on for days, and satellite pictures were produced to show that it was all mother nature's fault hecause the storm system moving up the Atlantic coast had decided to turn left into Boston for no apparent reason at all. Such vagaries are not welcome in America.

NBC-TV weather forecaster, Dr Frank Field

Harrods Tokyo-bound

The spawning season is here again. This time it's Harrods, that is making the news.

Singular for the past 133 years, this senior citizen of department stores has conceived. The offspring is due in the autumn when Harrods goes east and sets up shop in Tokyo—more specifically within the distinguished Mitsukoshi department store. The birthplace may he about as farflung from Knightsbridge as man can travel, but the choice of sophisticated Tokyo, one of the most prosperous world capitals, is not as unlikely as it may sound.

"For a long time we've thought that becausa so many of our visitors come from Japan and America, it was right to offer a taste of Harrods in these countries," says Mr Aleck Craddock, chairman and managing director Harrods, intimating possible future forays west.

For Harrods, the venture is a first. Never before has any of its own merchandise been nn sale in a foreign store. But giants move cautiously snd the move is tentative enough at putting its foot into the waters of expansion. The shop will comprise a modest 300 square feet and will sell only Harrods own label products. The "essential Harrods" could therefore include anything from teddy bears to food hampers. Nonetheless it is a departure for the store with the telegraphic address of EVERYTHING, LONDON. Signs of the times, no doubt, that it now sees fit to do some of the seeking.

If progress means expansion, in any form, then the 4½-acre London island site has to look further afield since there is no neighbouring property left to absorb. The last frontal acquisition was in 1911 and sinca then any development has had to he inwards.

Overseas, therefore, would seems an obvious step. For its part, the Mitsukoshi chain must he well pleased with the venture, one it has heen mooting for some time. Like Harrods, Mitsukoshi is steeped in tradition—it dates back to the 17th century—and is known for its upmarket merchandise. With its floors of European luxury goods and prices to match (you can pay £60 for a helt), it *carries the highest percentage* of British products in any Japanese atore and obviously recognisea the Japanese weakness for famous labels. The gronp is Japan's largest department store gronp, operating aome 15 stores and 36 specialist shops.

Above all, Harrods' move east must surely be aeen as yet another testament to the continning cachet of the livery green and gold hags in the interoational marketplace.

LT feels threatened by cyclists

London Transport turned to cracking jokes this week in a brave attempt to raise its morale after a devastating week for public transport in the capital.

Spring, it said, was the worst possible time to raise fares, let alone donble them as happened on Sunday. "Putting fares up in the spring simply encourages people to get on their bikes," LT said as the sun shone and as the worst effects of the 100 per cent rise in fares were realised in droves of lost passengers.

"There is a theory around here that you should always put your fares up in October, on the basis that cyclists stop their fair weather habits as soon as it starts pouring with rain,' LT said, from its headquarters above St James's Park tube station.

LT is not particularly paranoic about cyclists, but it certainly feels threatened by the unprecedented loss of *passengers as a direct result of* the fares rise.

An estimated 1.06m passengers deserted London Transport each working day this week in the face of the one-stop train fare of 40p and the 20p fare for the shortest ride on London's red buses. This loss of business was 21 per cent of the 4m bus passenger and 11 per cent of the 2m tube train passengers who used LT daily under the Greater London Council's "fares fair" cheap fares regime. This was outlawed by the Law Lords and ended with the doubling of fares on Sunday.

The GLC's cheap fares policy, based on a 32 per cent average cut in fares last October, boosted bus patronage by 11 per cent and tube train use hy 7 per cent.

With the fares rise, cyclists and walkers have become the biggest threat to LT's traditional role.

Cycling alone is forecast by LT to increase by 40 per cent and, with walking, will account for almost half of the total loss of five percentage points in LT's market share, which is expected to fall from 26 per cent of all journeys in London to 21 per cent.

Car, taxi and motorcycle journeys in the capital will rise by 300,000 a day, it is estimated, causing vehicle mileage to rise hy nearly 3 per cent. London taxi drivers have already felt the impact of this in greater traffic congestion and journeys typically three times longer than they were the week before the fares increase, according to Mr Harry Feigen, the general secretary of the Licenced Taxi Drivers' Association.

London Transport is steeling itself for even worse to come. "Anybody could still go to the High Court and again question the current level of subsidies, because it simply is not clear how much we can subsidise our services," LT said.

Under the worst possible interpretation, "we could be talking about a 50 per cent cut in bus services, the closure of up to 16 more tube stations on top of the seven now planned to close and a further 15 per cent cut in tube services."

The *immediate cuts* start in July when bus services are cut by a tenth. After that LT can look forward to the drizzle of the autumn, when a further fares increase, still not ruled out for this year, could be imposed to the detriment nf London's new breed of cyclist.

Contributors:
David Lascelles
Feona McEwan
Lynton McClain

Economic Diary

TODAY: Mrs Margaret Thatcher addresses final day of Conservative *Central Council meeting* in Harrogate. Mr Michael Foot, Leader of the Opposition, to address rally of memhers of NALGO at Camden Town Hall. National Consumer Congress *starts three* day meeting at Surrey University. Symposium on Energy and International Co-operation in Tokyo.

TOMORROW: El Salvador national elections.

MONDAY: CBI monthly trends inquiry for March. Quarterly analysis of bank advances for mid-February. Two-day EEC Summit meeting in Brussels. Commons debates Trident programme. Mr Norman Tebbit, Employment Secretary, attends Ways to Work Conference at Chelsea Town Hall. Institute for *Fiscal* Studies conference on Green Paper on Corporation Tax at Regent Palace Hotel, W1.

TUESDAY: U.S. leading indicators and factory orders for February. Lords debates EEC farm price proposals, and Poland.

WEDNESDAY: National income and expenditure in the fourth quarter and year 1981. Final unemployment and unfilled vacancies figures for February. Employment in the production industries in January. Overtime and short-time working in the manufacturing industries during January. Stoppages of work due to industrial disputes in February. Two-day meeting of the EEC Agriculture Ministers *in Brussels. Lord Carrington,* Foreign Secretary, begins two-day visit to Israel. Commons two-day debate opens on Oil and Gas (Enterprise) Bill.

THURSDAY: Building Societies make mortgage payment reductions. Japanese lower import tariffs. *Settlement day* for bank pay talks. Mr Christopher Tugendhat, vice-president of the EEC, attends Westminster Chamber of Commerce lunch at Hyde Park Hotel, SW1. Mr Caspar Weinberger, U.S. Defence Secretary, begins two-day visit to Manila.

FRIDAY: UK official reserves for March. Capital issues and redemptions during March. Housing starts and completions in February. Sir Peter Parker, chairman of British Rail, speaks on Industrial Concerns and the Government at the Institute of Civil Engineers, Edinburgh.

Stothert hopeful as deficit shrinks

AFTER CUTTING its first half losses, as forecast, from £1.05m to £529,000, the directors of Stothert and Pitt expect the company to be operating at a "modest rate of profitability by the end of June." In the meantime, the board has decided that the results do not justify payment of an interim dividend—no payments were made last year.

They say that prospects for demand in the coming months are still uncertain, but what is certain is that the company must continue to reduce product costs if it is to be competitive in the difficult market conditions.

In the first half, to December 31 1981, home orders for contractors' plant have shown an improvement from the very low levels recorded last year, but the directors have been unable to expand export volumes and are still facing serious price competition in most markets.

While tender levels for overseas business are reasonable, the crane division is still facing fierce price competition. The company has orders for nine offshore cranes, which are due to be delivered in 1982-83, and it is actively seeking further business to provide continuity for this range.

Turnover for the six months rose from £10.55m to £11.48m. The pre-tax figure was after depreciation of £185,000 (£208,000) and interest charges of £554,000 (£411,000). There was a tax charge of £1,000 (same), leaving a loss of £530,000 (£1.05m).

● **comment**

The market had already marked Stothert & Pitt's shares down to an eight-year low of 58p yesterday and left them unchanged on the news of halved losses for the half year. The group managed a small trading profit in the period, but this was wiped out by heavy financing costs. Borrowings soared in 1980-81, largely as a result of the collapse in demand for plant by the civil engineering industry. Losses in the year knocked a fourth off shareholders' funds, while capital gearing climbed to 75 per cent where it remains. Despite fierce price competition in its major markets, the company believes it can return to profit by the year's end. It is also hopeful that up to £1.5m in property gains could be realised this year. However, the same clouds which now hang over the oil industry also hang over S & P—a fair portion of the company's business is dependent on the heavily cyclical trade. The shares are now only a sixth of the company's assets per share of 317p. Market capitalisation is £1.4m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Aberdeen Land ......int.	4.25	April 8	3.75*	§	12.44*
Anglo-Finance	1.13	May 19	0.75	1.13	0.75
Cope Allman ......int.	1	July 5	Nil	—	2
Eucalyptus Pulp	6	June 4	6	6	6
Hanger Invs.	0.5	—	Nil	0.5	Nil
Manson Finance ......int.	1.5	—	1.5	—	3
Montagu Boston	1.25	—	1.05	1.25	1.05
Newman-Tonks ......int.	1.65	—	1.65	—	5.1
Southampton IoW	5.5	—	5.5*	7.5	7.5*

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § Final of 9.75 forecast.

Reshaping Cope Allman in black at midway

DESPITE THE inclusion of losses of £226,000 on businesses which have now been sold and higher interest of £3.44m against £3.21m, Cope Allman International swung round from a loss of £149,000 to a pre-tax profit of £407,000 in the six months to December 31 1981.

In addition Mr L. J. Manson, chairman, anticipates operating profits for the current second half will exceed those for the corresponding period, when a pre-tax surplus of £523,000 was registered. A net interim dividend of 1p (nil) has been declared. Last year a final of 2p was paid.

At midterm, sales showed an £8.87m gain at £99.52m and operating profits finished £0.79m higher at £3.84m. With tax taking £225,000 (£83,000), the net profit turned in at £182,000 (£232,000 loss) and earnings per 5p share are stated at 0.23p (0.84p loss). Minority profits totalled £92,000 (£22,000), leaving the attributable balance at £90,000 (£254,000 loss).

Commenting on the interim figures, Mr Manson says the period was one in which considerable progress was made towards the reshaping of the group.

The disposal programme has substantially been completed, the workforce cut by a further 11 per cent and net debt reduced by £2m. Following the recent sale of the group's 59 per cent holding in Capseals for £3.5m, the equity/debt ratio improved from 59:41 last June to around 66:34. The funds released will enable the company to continue with the development of its growth businesses, says Mr Manson.

It is the object to complete restructuring during the second half, he adds, so that the company will start next year with a group of businesses capable of making the return on investment required.

This will leave Cope as a more manageable group, concentrated primarily in the packaging and leisure industries, and with a smaller number of companies outside these fields, in particular three major companies which produce exceptional returns from their sectors.

● **comment**

Cope Allman has managed a 25 per cent improvement at the operating level, but continued massive interest charges almost wiped out profits pre-tax. The company has taken radical action to reduce borrowings, with about £6m realised from divestments, including £3.5m from last week's disposal of the 59 per cent holding in Capseals. As a result gearing has been brought down from 70 per cent to 51 per cent. In the last year and a half the workforce has been cut by about 30 per cent, not including Capseals, and the £2.6m turnround in packaging has been more the benefits of rationalisation than an upturn in demand. Operating profits from the leisure division are 60 per cent down on the comparable period, with the slump in video games exacerbated by pre-budget nerves. Cope Allman is almost ready to put away the axe, but current trading does not indicate any surge in demand. The share price gained 1p to close at 42.5, yielding 10 per cent on the last 12 months' payout. Assets per share are more than 2½ times the share price, even after the Capseals disposal.

Capseals £0.21m ahead

BENEFITTING FROM the cost reduction programme implemented last year, Capseals, the packaging material maker, pushed pre-tax profits ahead from £89,000 to £303,000 in the six months to December 31 1981. This compares with a depressed result of £347,000 (£1.91m) for the full last year.

First half UK sales advanced from £8.16m to £9.23m, while exports showed a marginal fall from £2.27m to £2.11m, giving a total turnover figure of £11.34m (£10.42m). From this, operating profits improved from £277,000 to £444,000, after charging a £62,000 trading loss on account of Packaging Products which has now been sold.

Interest for the period took less at £141,000 (£188,000), reflecting slightly lower rates and a decrease in borrowings, and with tax absorbing £101,000 (nil), earnings emerged at £202,000 (£89,000), equivalent to 1.69p (0.75p) per 5p share.

Provisions of £1.57m in respect of the sale of Contour Packaging and Packaging Products were made in the last full year accounts. It is likely, however, that a further sum of up to £300,000 will be needed to cover the losses on the sale of these two companies and this has been reflected in the balance sheet for the half year under review.

Oo March 18, Sonoco UK made a bid for the company, purchasing a 59.15 per cent bolding from Cope Allman and offering 50p cash per share for the remainder of the capital. It is a term of th. offer that no dividend be paid to existing holders in respect of the current year.

Manson's leasing problem

By William Hall

Manson Finance Trust, the small UK banking company in which the Singapore financial conglomerate Hong Leong, has a majority interest, has run into further problems with its fledgeling leasing venture.

The company says in its interim statement that the problems referred to last year have proved "far more extensive than had been thought." The group made an exceptional charge of £251,000 for its leasing losses in 1980/81 and has made another below the line charge of £293,000 in the six months to December 31 1981.

The group, which set up a leasing operation in 1980, appears to have run into difficulties with its early portfolio which was concentrated on leasing space invader and other video type machines in places such as pubs and working men's clubs. The machines suffered from rapid obsolescence and the lease covenants were not of the highest quality.

Assets acquired in the previous year have since been found to be unproductive and Manson has decided that they should be written off to nominal values and the current figures reflect that decision.

The management of Manson leasing has been changed and the quality of assets improved by concentrating largely on agriculturally based business introduced by Manson Agricultural Finance.

Manson Leasing is now making good progress and group pre-tax profits for the six months to end 1981 rose by 44.5 per cent to £160,000. However, after tax, the extraordinary item and minorities, profits fell from £253,000 to £67,000. The group is paying an unchanged interim dividend of 1.5p net which absorbs £290,000.

Aberdeen Land midway fall

ALTHOUGH there was a fall in first half taxable profits at City of Aberdeen Land Association, the interim dividend is effectively increased from 3.75p to 4.25p net and directors forecast a final of 9.75p, compared with an adjusted 8.67p.

For the six months ended December 31 1981 the pre-tax figure was £189,000 (£232,000) from turnover, of this housebuilding and property developer, little changed at £2.58m (£2.53m).

Because of adverse weather last December and January the directors say a significant number of forecast completions now fall in the last two months of the 1981/83 year. In any event, they add that, the company is confident that profits from housebuilding will compare favourably with those of last time.

Net profits for the six months came ont at £110,000 (£111,000) after tax of £79,000 (£121,000).

BIDS AND DEALS

Kent raises cash in Federated Land bid

M. P. Kent, the housebuilding and property development group, has stepped up its attempt to surmount the twin obstacles which stand in the way of a successful bid for Federated Land.

Kent's terms have been increased by 10p, doubling the cash element of the bid, and now values Federated at £16.96m, taking Kent shares at 68p, down 1p yesterday, and the resultant worth of each Federated share is 158p.

Federated shares were unchanged at 143p.

The bid will lapse if Federated acquires Estates & General, a property group with a mixed portfolio of 60 small sites. Yet Federated's terms are almost certain to go through given the acceptance of "the Frowing party" in respect of 61.1 per cent of Estates' equity. Federated's own bid reaches its first closing date on April 13.

Kent recognises that to forestall Federated it must secure a simple majority of Federated shareholders at the extraordinary meeting called for April 6 when resolutions to increase the issued share capital sufficiently to implement the Estates deal are proposed.

But Kent's task is once again made more difficult by the fact that, with a major line of shares acquired from the Kuwait Investment Office earlier this week, the Federated board can probably speak for marginally over 23 per cent of the company's capital.

Federated's equity is otherwise predominantly held by institutions which would not normally lodge their proxy votes until just before the critical extraordinary meeting.

Kent holds 14.7 per cent of Federated's equity following a dawn raid and, without a full alternative cash offer, cannot add to its interest through the market.

Kent is therefore attempting to point up its relative share price performance against Federated since each company was first listed in the early part of the last decade. Kent's share price, it maintains, has risen over 1,000 per cent since flotation while Federated has shown only 32 per cent appreciation.

Each side has been making a virtue of a fundamental difference in operating approach. Kent usually sells a completed development, achieving a pre-sale on many occasions, and building up a strong cash flow, aims to be in a net liquid position by the June financial year end.

Federated, which was still fiercely resisting the new terms yesterday, pointed to the rise in asset backing, to 185p per share, since the middle 1970s which stems from a policy of holding properties as investments. It sees further substantial growth in the value of its three major shopping developments and insists that Kent's bid must be related to net worth.

It discounts Kent's claims that the combined Federated/Estates group would be highly geared, post-acquisition, and believes that it will be able to make selective disposals from Estates' portfolio to fund the major part of the Hanley shopping centre project.

Pergamon offer for E. Arnold

MR ROBERT MAXWELL'S Pergamon Press has agreed terms for the acquisition of E. J. Arnold and Son, the private Leeds-based publishing company where Professor Roland Smith has been chairman since 1979.

No offer price was disclosed. Irrevocable undertakings of acceptance had been received on behalf of 51 per cent of the ordinary shares and 92 per cent of the deferred ordinary.

Arnold, which specialises in the sale of educational books to schools and libraries, is believed to have incurred a significant trading loss for the year to January 31. A loss of £577,000 in the year to October, 1980 followed a pre-tax profit of the same order in 1979.

The company has been troubled by disagreements between the three Arnold brothers, whose family dominates the company's equity. Mr Martin Arnold left his position as chairman and managing director in 1979.

A number of parties have since expressed interest in acquiring the company, including a consortium drawn together by Mr Martin Arnold. Other bidders are understood to have included Performance Securities, a company headed by Dr Michael Sinclair, formerly of the Allied Investments medical group, as well as the Hestair group.

Arnold had shareholders' funds of £7.82m in January 1980. Pergamon has indicated that the terms and conditions of its offer will be released on Monday.

GREAT NORTHERN

As at the close of business on March 26, the estimated net asset value per share, after prior charges at par, of Great Northern Investment Trust was 179.2p and 879.7p per share of RIT.

The share exchange ratio under the Great Northern offer will not be determined until such time as the offer becomes, or is declared, unconditional as to acceptances.

But, on the basis of the net asset values it would result in a RIT ordinary shareholder receiving, for every 100 RIT shares, some 263 Great Northern ordinary shares.

JOHNSON MATTHEY

Johnson Matthey has acquired the business of the International Electrolytic Plant Company, the main activity of which is the manufacture of equipment for generating hydrogen by electrolysis. The purchase price is believed to be about £100,000.

RUBEROID'S NEW VENTURE COMPANY

A new joint venture company, Hyload Inc, incorporated in January 1982, whose offices are in Pittsburgh Pa, has been formed by Ruberoid Building Products and Thomas Ness. Each company has 50 per cent of the equity.

The new venture is the result of successful co-operation by the two companies in the UK, where the Hyload range of high performance building products has been manufactured and exported world-wide.

SHARE STAKES

Jessel Toynbee—Kuwait Investment Office holds an interest in 1,171,000 ordinary shares (8.88 per cent).

UKO International—Consult International and its subsidiaries have disposed of 125,000 shares. Holding now 1,215,000 shares (8.64 per cent).

Greenfields—D. S. Greenfield, directnr, sold 100,000 ordinary shares.

Somportex asset sale

Andrew Buchanan and Sons, a subsidiary of Somportex Holdings, has sold to Robinsid and Co its outstanding stock and certain plant, equipment and vehicles. It will now cease trading.

Buchanan, wbicb made a loss of £89,300 In 1980-81 before contribution to central management charges, will receive approximately £33,000 for the plant, equipmenl and vehicles.

The stock has been sold at or near cost plus an amount between £25,000 and £35,000 dependent upon sales by the purchaser before July.

The effect on the group will be the elimination of the sector of its business which has continued to produce trading losses and proved a drain on finance. So far as the current year is concerned the sale is likely to resull in a final balance sbeet write down of not more than £50,000.

Current group trading In the second half is continuing below bndget and the year's operations may result in a loss. However, the board expects a return to profitability in the next year.

Grovebell calls for £749,000

GROVEBELL, THE small garage and confirming group, is raising £749,000 in a one-for-one rights issue of 15.76m 5p shares at par. In the market, the shares were unchanged at 6½p.

The issue, the group's second in less than 18 months, is intended to reduce borrowings. At November 30 last (the year-end) they stood at £2.7m of which £1.6m were advances to finance stock. Interest charges last year amounted to £347,000, compared to £536,000 in 1980.

Grovebell returned to profit in 1981, making £64,000 before tax compared with a loss of £615,000, and the ohairman, Mr V. J. Advani, said the improvement was continuing.

No dividend was paid because there was still a £0.5m deficit on the profit and loss account. Dividends nn the £179,000 of 9 per cent cumulative preference shares have not been paid since March 1980.

The issue has been underwritten by Sonesta Investment Company, which has a 45 per cent stake. If it was obliged to take up all the shares in the issue, its interest would rise to 73 per cent.

The shares are offered to holders registered April 13. An EGM to approve an increase in authorised capital is to be held on April 19. Final date for acceptances is May 10.

Brokers to the issue are Capel-Cure, Myers.

Second half setback at Hanger

FOR THE year ended December 31 1981 Hanger Investments, Ford and Vauxhall main dealer, turned in taxable profits of £155,000, compared with losses of £582,000 previously, and directors are paying 3 0.5p dividend—last year's interim and final were both omitted.

Only £1,000 of the figure was made in the second half, but this was against a loss amounting to £689,000 for the second six months of 1980.

Turnover for the full 12 months went ahead from £79.7m to £88.26m, and represented external sales, excluding VAT, and includes income received from vehicle lease rentals.

Trading surplus amounted to £2.15m (£1.33m) and was after depreciation of £9.35m (£8.17m), and financing charges of £4.39m (£4.96m). Interest charegs were down slightly at £1.33m, against £1.51m.

There was no tax figure for the year compared with a credit of £1.05m last time, and after an extraordinary credit of £38,000 (nil), tha available balance was behind at £193,000, against £466,000.

Dividend will absorb £66,000 (nil) and earnings per share are shown 1.68p (6.31p loss).

● **comment**

A sharp decline in commercial truck sales—reflecting the national trend in registrations, down from 80,000 to around 45,000 in two years—was a prime factor in Hanger Investments' failure to build on the small profit recovery at midway. In the highly competitive car market margins remained under beavy pressure during the year and leasing was the only bright spot. The vehicle market remains depressed and leasing is becoming more cut-throat but with the very high overheads on the truck side being reduced, group borrowings little changed, and lower interest rates, Hanger may now be able to coast along until conditions improve. With a small, but welcome, return to dividends the shares yesterday pnt on 2p to 28½p, yielding 2.6 per cent.

Setback for Youghal Carpet

THE HOPED for climb-back to profit at Youghal Carpet (Holdings) was seriously set back by the economic depression in all markets and for 1981 this Cork-based carpet maker incurred taxable losses of I£377,000 (£306,000 at current rates), although these were much lower than the previous I£2.54m.

Turnover for the year was down from £69.85m to £63.63m and trading profits which amounted to £2.22m (£942,000) were before interest charges of £2.6m, against £3.34m.

Again there is no dividend, the last payment being 2.045p for 1977.

The directors say the year proved more difficult than bad been forecast. Competition continues to be intense, not only on prices but also in service and distribution, they state.

In order to adjust to continuing lower demand levels, the group says it has no alternative but to eliminate its over-capacity in both spinning and weaving.

The first quarter of the current year indicates how serious the deterioration in the market situation is, directors say, and "unless there is an upturn of consequence, 1982 will not see a return to profits notwithstanding the measures being taken."

The Dutch subsidiary, Koninklijke Vereenigde Tapijtfabrieken (KVT), which has separate bank facilities to those of the rest of the group, was obliged to trade within these without further recourse to group support. The company, however, was not successful in its trading to-date and during February last applied under Dutch commercial law for suspension of payments. Trustees have been appointed and are examining the company's viability.

Youghal has deemed it prudent to make provisions, amounting to £2.2m, to cover the possibility of writing down its investment in the subsidiary, the closure costs of one of the group's Irish spinning mills

After this figure, which is represented as extraordinary items, the attributable result for the year is a £2.61m loss (£1.74m). Loss per share is given as 2.5p (7p).

Eucalyptus pick-up

ALTHOUGH second half profits nf Eucalyptus Pulp Mill were higher at £1.09m, pre-tax, against £835,107 last time, the figure for the whole of 1981 finished behind from £3.52m to £3.42m.

The dividend is maintained, bowever, at 6p net per 25p share.

Turnover for the year amounted to £17.29m, compared with £15.35m, and profits were subject to a tax charge, higher at £1.43m (£1.25m).

Distributable earnings came out ahead at £1.73m (£1.57m) after minority interest of £151,933 (£169,365) and a £107,579 (£532,474) transfer to non-distributable reserves.

Wellman Eng. rationalises

Wellman Engineering Corporation, the thermal and mechanical angineer, bas completed an agreement for the rationalisation of the high alloy static sector of the steel castings industry.

The agreement involves 16 static casting foundries which together account for some 95 per cent of the UK production of high alloy static castings.

Under the terms of the agreement, Wellman Alloys, a wholly-owned subsidiary, is to discontinue with four of the 16 foundries, its static casting activities.

The subsidiary is to receive compensation totalling £471,000 payable as to approximataly £300,000 immediately with the balance payable in three equal instalments after 45, 51 and 57 months.

The compensation is to be met by means of a levy from those foundries remaining open, supplemented by a grant made available through the Secretary of State for Industry.

In the year ended March 31 1981 the subsidiary generated a trading profit, after interest, of £4,000 and had net assets at March 31 of about £500,000. The parent company proposes to invest the funds released in more profitable business in the UK and overseas.

Noble & Lund loses £35,481

ALTHOUGH second half profits of Nobla and Lund, engineer and machine tools maker, increased from £18,269 to £31,417 pre-tax, the outcoma for the full 1981 year was a pre-tax loss of £35,481, against profits of £82,020, on turnover down fro m£1.70m to £1.57m.

No dividend will be paid for 1981 (0.79p).

After a tax charge of £20,661 (£92,499 credit), the net loss was £56,142, compared with nel profits of £174,519. This gives a stated loss per 10p ahare of 0.98p (earnings of 3.06p).

Comtech slide continues in second quarter

WITH A net deficit of £801,000 in the second quarter, Combined Technologies Corporation incurred a net loss of £1.38m in the six months to December 31 1981. Its trading activities, however, show an operating profit of £533,000 for the second quarter and £1.36m for the half-year.

Turnover for the six months was £85.74m, with £43.21m coming in the second quarter. The automotive division contributed £51.22m to the half-year turnover, with trading activities' share coming out at £20.43m. Control systems provided £2.59m and other activities £11.51m.

A breakdown of half-year operating profits resulted in £860,000 for the automotive division, £58,000 from trading, £164,000 from control systems, and £274,000 from other activities.

Interest charges for the six months were £1.16m and research and development costs accounted for £1.57m. There was a loss per share of 2.3p.

The directors say that investment in product development division activities, currently centred on the information storage and retrieval venture, continues in accordance with the company's stated policy.

The commercial division's results are, in general, still suffering from tha recession and consequent reduced levels of consumer demand. Automotive activities are relatively buoyant in a traditionally quiet trading period, but all sectors of this business are showing satisfactory results.

The persistent low level of retail demand continues to depress the trading business, and the results include some further rationalisation costs.

In other activities, the builders' merchant business is marginally profitable, which, they say, is perhaps satisfactory in current trading conditions. Travel and motor-camper operations are at their seasonal lows.

Comtech was formed last year when Tricentrol demerged its non-oil interests.

The activities of Comtech are nrganised into a commercial division and a product developing division. The commercial division includes 12 car and truck dealerships, a wholesale hardware business, builders' merchant, and a travel business. The product development division is engaged in the design, manufacture and marketing of energy efficiency products.

The directors say that detailed negotations continue in respect of the merging of the trading interests with Findlay Hardware, and it is expected that an announcement will be made shortly.

Results due next week

Reckitt and Colman sprang ahead in Ibe first balf of 1981, with pre-tax profits of £29.1m nearly 28 per cent ahead of the previous year. Tha improvement was largely a function of ratinnalisation in the UK, since there was little enough belp from volume increases. September's interim statement set ont some fairly strong assumptions to guide forecasts of the full-year profits, so brokers bave accordingly projected profits in a narrow band around £63m before tax (against £53.2m in 1980). Rationalisation benefits will bave rolled through but there bas been nothing since to broaden margins; second-half profits are therefore not expected to sbow as rapid an advance as that of the preceding period. The preliminary announcement is due on Tuesday.

The 44 per cent pre-tax rise at balftime by British Aerospace was accompanied by a company forecast that tbe full-year total, due out on Tuesday, would be slightly bigher than tbe £65m seen at the time of tha offer for sale in February 1980. Since then analysts have edged tbe predictino ahaad until they nnw range around £70m for 1981 with some up to £73m. The forecast net total dividend was 7.8p with a final of 4.8p. Tha recent weakness of the share price, down from a high of 251p to 174p, arises from future uncertainties which bave developed on both tbe military side, the major sector of the group business, and the civil aircraft side.

Profits of **Babcock International** have been declining for three years and the preliminary results for 1981, due on Wednesday, are expected to confirm that the trend continnes. Estimates of pre-tax profit range narrowly around £11m compared with £15.2m last year and £32m in 1979. The UK construction and mining equipment businesses bave been badly bit by the recession and the North American interests are suffering from tha severe downturn in tbe anto industry. Only the power plant side appears strongly placed, with an order book running into 1984. The depressed shares yield over 10 per cent and a cut in the final dividend is seen as a possibility, given the group's inability to offset overseas losses against UK taxes.

With the betting shops crippled by tbe virtual eliminstion of the December sporting programme, analysts have been downgrading their estimations of **Ladbroke's** results for the year, due on Thursday. The range is now £32m to £36m pre-tax profits, as against 1980s £32.6m. With the loss of the casinos, which made £2.2m pre-tax in 1980, Ladbroke has been busy expanding the other businesses, particularly the property portfolio. There have been some majnr completiona and sales but the benefits of the current programme ere more likely to be seen in 1983. The boliday business has been expanded and only this week Ladbroke annonnced its first foray into the U.S. travel business.

Habitat Mothercare will be reporting. Habitat's last solo figures on Monday and the interim profits are expected to plaase. Analysts predict pre-tax profits to fall between £3m and £3½m against £2.2m in the first six months of last year. The trendy homa furnishings group is benefiting from a spate of store openings over the past several years. These are now more established and their profits are better able to outstrip current opeuing costs. Habitat has proved fairly resistant to the UK recession as its better-heeled customers are among those less affected by widespread unemployment. The full year will bring in five months of Mothercare and it is uncertain how these figures will be consolidated. Lumping together full-year expectations for both groups, analysts are looking for about £18m pre-tax. The forecast dividend is 3.6p.

Wednesday's results from **Guardian Royal Exchange** are expected to confirm that UK insurance groups found the going heavy in 1981. Underwriting losses are anticipated to rise fourfold to £38m, with most overseas operations recording heavy losses out of all proportion to their contribution to the overall business. The UK account should barely break-even, because of the adverse weather in December. But investment income should show a jump by a third to £120m, boosted by six months interest nn the rights issue proceeds. This sbould leave pre-tax profits slightly higher at £90m.

In contrast, **Legal and General** could sbow a slight cut in underwriting losses to £14m, arising from a strong improvement in tha UK, despite tha weather, with losses balved at £8m. Its life business continues to go from strength to strength with net profits up by one-third to £17m. When the benefits of higher investment income is added, net profits should jump by one-quarter to £28m.

Shareholdera in both companies can expect useful dividend increases, with at least 17p, up 13 per cent, from GRE and a minimum 11p from L and G, up 22 per cent.

Other companies reporting full year figures next week include **Booker McConnell** (Tuesday), **Glynwed** and **Freemans** (Monday), **Molins** (Wednesday), **Grattan** and **Briden** (Thursday).

Company	Announcement due	Dividend (p)* Last year Int.	Dividend (p)* Last year Final	Dividend (p)* This year Int.
FINAL DIVIDENDS				
American Trust	Tuesday	0.7	1.4	0.7
Anvil Petroleum	Monday	—	—	—
Appleyard Group of Companies	Monday	—	—	0.1
APV Holdings	Tuesday	2.8	8.2	2.8
Babcock International	Wednesday	3.4	3.6	3.4
Bambers Stores	Tuesday	0.65	0.9	0.8
Booker McConnell	Tuesday	1.25	1.876	1.375
Bowthorpe Holdings	Wednesday	1.383	1.576	1.521
Bridon	Thursday	2.3	1.2	1.2
British Aerospace	Tuesday	—	—	3.0
British Mohair Spinners	Wednesday	0.96	2.81	0.96
British Vending Industries	Thursday	—	—	—
Bunzl	Wednesday	4.21	3.02	4.5
Cape Industries	Tuesday	3.9	7.3	3.9
Carpets International	Thursday	—	—	—
Cartwright (R.) Holdings	Wednesday	1.0	2.0	1.25
Charterhouse Group	Monday	1.75	2.76	1.925
Croda International	Wednesday	1.5	1.6	1.5
Desoutter Brothers (Holdings)	Tuesday	2.7	3.0	2.7
Dickie (James) Drop Forgings	Monday	2.438	1.5	1.5
Diskie Heel	Wednesday	0.25	0.25	0.25
Dorada Holdings	Wednesday	2.1	—	—
Dreamland Electrical Appliances	Tuesday	0.35	0.85	0.35
Early's of Witney	Friday	0.315	1.485	0.315
Finlan (John)	Thursday	1.5	2.5	3.0
Freemans	Monday	1.7	2.0	1.9
Glynwed	Monday	2.45	4.9	2.45
Grampian Holdings	Tuesday	1.5	3.0	1.5
Grattan	Thursday	1.868	2.25	1.886
Guardian Royal Exchange Assurance	Wednesday	8.0	9.5	8.75
Home Counties Newspapers	Tuesday	1.75	4.75	1.75
Horizon Travel	Monday	0.83333	2.842	1.16
House Property Company of London	Tuesday	1.0	3.5	1.5
Ibstock Johnsen	Friday	1.5	3.0	1.9
Insurance Corporation of Ireland	Friday	1.92	5.16667	2.496
Jamesons Chocolates	Wednesday	1.0	3.0	1.0
KCA International	Friday	2.5	2.75	2.75
Kleinwort, Benson, Lonsdale	Tuesday	3.0	8.0	3.0
Ladbroke Group	Thursday	3.2775	3.47875	3.605
Lambert Howarth Group	Tuesday	1.16	2.91	1.16
Legal and General Group	Wednesday	3.0	6.0	4.0
Low and Bonar	Monday	5.0	9.5	5.0
Lyle Shipping	Friday	3.75	5.15625	4.5
Magnolia Group (Mouldings)	Wednesday	0.8	1.5	0.8
Molins	Wednesday	2.2	5.698	2.2
North British Canadian Investment	Friday	1.75	3.05	1.75
Quick (H. and J.) Group	Tuesday	0.53	0.815	0.53
Reckitt and Colman	Tuesday	3.5	6.0	3.8
Sharna Ware	Friday	1.4	2.0681	1.4
Silkolene Lubricants	Wednesday	1.05	3.95	1.05
Spirax-Sarco Engineering	Tuesday	1.7	2.7	1.7
Standard Chartered Bank	Tuesday	12.0	20.5	13.8
Upton (E.) and Sons	Friday	0.5	—	—
Weir Group	Wednesday	—	—	0.1
Wolstenholme Rink	Tuesday	2.6	3.25	2.5
Yorkshire Chemicals	Monday	—	—	—
INTERIM DIVIDENDS				
A. B. Electronic Products Group	Wednesday	0.5	3.5	
Beazer (C. H.) Holdings	Tuesday	2.4	4.6	
Bridport-Gundry (Holdings)	Monday	—	1.42	
Burgess Products (Holdings)	Thursday	0.5	3.0	
Castlefield (Klang) Rubber Estate	Wednesday	2.0	12.0†	
Emess Lighting	Tuesday	2.75	4.0	
Fairy Pickering Group	Tuesday	0.90909	1.45455	
Floyd Oil Participations	Monday			
Habitat Mothercare	Monday	—	—	
Halstead (James) Holdings	Monday	0.8	1.85	
LWT (Holdings)	Thursday	4.0856	6.9836	
Nolton	Monday	0.6	—	
Park Place Investments	Wednesday	1.25	2.35	
Tyzack (W. A.)	Friday	—	0.4	
Ulster Television	Friday	3.0	3.0	
INTERIM FIGURES				
Charterhall	Tuesday			
Edinburgh Securities	Monday			
Town Centre Securities	Friday			

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † Includes a special non-recurring dividend of 7.0p.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

S. Pearson has started discussions which may lead to an offer for the 36.4 per cent outstanding shares in the group's separately quoted subsidiary Pearson Longman whose interests include the Financial Times. The new initiative comes about three and a half years after a previous bid from S. Pearson failed to win sufficient support from the outside holders.

Mercantile House, one of the leading UK money brokers, acquired Charles Fulton, a private broking concern, for £6.5m, while London Investment Trust extended its commodity broking operations with an agreement to buy a leading Chicago dealer, Shatkin Trading, for a maximum consideration of $13m.

Ladbroke, the leisure and hotels group, entered into a contract to buy 50 per cent of BPF Travel, a U.S.-based travel agency. No purchase price was disclosed, but the agency is said to have a turnover of $125m.

D. M. Lancaster, the Club 18-30 holiday group, received an approach which may lead to an offer for the company. Mr John Goldring, chairman of Lancaster, said that the prospective bidder was involved in the leisure field, but its identity would not be revealed for another four or five days.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Assoc. Comms. 'A'	65*	100	52††	35.8	Bell Group
Assoc. Comms. 'A'	98*	100	52††	46.13	Heron Corp.
Assoc. Comms. 'A'	110*	100	52††	59.70	TVW Enterprises
Capscals	50*§	59	45	2.43	Sonoco
CCP North Sea	194§§	190	145††	15.21	Charterhouse Pet.
CCP North Sea	206§§	190	145††	16.15	Tricentrol
Ests. & Gen. Invs.	81	65	56	14.71	Federated Land
Federated Land	186§‡‡	146	133	14.46	Kent (M. P.)
Grant Bros.¶¶	190*	186	179	2.25	Jadepoint
Heron Motor Grp.	34*§	32	23	4.33	Heron Corp.
Normand Electrl.	57‡§	55	41††	5.13	Henderson (P. C.)
Speedwell Gear Case	15*	15	23	14.40	Astra Ind.
Tunnel Hldgs.	551§	550	565	126.2	RTZ
Wood Hall Trust	215*	213	156	52.74	Elders IXL

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on March 26 1982. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Arncliffe Hldgs.	Oct	496	(484)	8.8	(8.0)	2.66	(2.66)
Automated Secrty.	Nov	2,250	(1,890)	12.0	(9.7)	1.45	(1.2)
Baoro Consldtd.	Dec	726	(901)	7.6	(7.7)	3.3	(3.0)
BBA Group	Dec	3,560	(550)	1.5	(—)	1.74	(1.74)
Bealson Clark	Dec	2,340	(1,250)	23.9	(19.2)	8.5	(7.0)
Bemrose Corpo.	Jan	2,370	(338)	19.2	(2.2)	4.0	(1.5)
Berwick Timpo	Dec	467L	(1,080)	—	(21.1)	2.0	(6.0)
Bestobell	Dec	8,470	(7,720)	28.1	(33.9)	13.0	(12.25)
BICC	Dec	101,900	(74,600)	25.2	(23.1)	10.37	(9.43)
Brent Chemicals	Dec	3,620	(2,820)	6.1	(5.1)	2.3	(2.0)
BSR	Jan	4,470	(17,880)L	3.4	(—)	1.0	(—)
Cambridge Elect.	Dec	5,900	(6,240)	10.1	(3.5)	4.0	(—)
Cattle's Hldgs.	Dec	802	(235)†	2.5	(0.4)†	1.0	(0.2)‡
Church & Co.	Dec	1,560	(1,960)	20.2	(28.6)	8.5	(8.0)
Clay (Richard)	Jan	954L	(581)	—	(7.9)	1.0	(3.0)
Clifford's Dairies	Dec	3,300	(2,180)	20.1	(22.0)	5.0	(4.5)
Consultants Com.	Dec	100	(83)	11.0	(10.5)	—	(—)
DRG	Dec	15,500	(18,000)	7.2	(9.6)	8.0	(8.0)
Eagle Star	Dec	73,800	(65,900)	27.3	(26.5)	15.0	(10.5)
Ests. & General	Dec	914	(817)	4.2	(8.5)	1.75	(1.55)
Exeter Bldgs.	Dec	938	(725)	36.2	(—)	6.5	(4.38)
Fairclough Cons.	Dec	13,450	(10,275)	21.8	(18.8)	5.5	(4.5)
Fife Indmar	Dec	773	(503)	25.4	(16.4)	6.0	(4.0)
Finlay Packng.	Dec	815	(429)	4.9	(3.5)	2.25	(1.5)
Firmin & Sons	Dec	430	(334)	8.1	(9.4)	4.0	(3.5)
Friedland Doggart	Dec	1,470	(821)	13.4	(18.9)	5.1	(4.72)
Garton Engn.	Dec	334L	(125)	—	(3.2)	—	(4.15)
Hawth. Ceramic	Dec	24,150	(22,280)	10.0	(10.2)	5.25	(5.25)
Hewitt (J.)	Dec	374	(612)	14.2	(19.2)	1.95	(1.8)
Jones & Shipman	Dec	638	(2,150)	5.8	(11.6)	1.8	(3.6)
Laing Props.	Dec	8,700	(7,000)	8.8	(7.2)	4.45	(3.75)
Lane (Percy)	Dec	533	(685)	7.4	(8.8)	3.0	(2.5)
LASMO	Dec	113,200	(47,300)	55.2	(30.0)	10.0	(—)
Lndn. & Mnchstr.	Dec	2,875‡	(3,037)‡	12.6	(12.1)	11.9	(10.5)
Leyland Paint	Dec	422	(426)	2.2	(4.8)	1.5	(1.0)
Lynn & Lyon	Dec	354	(618)	9.3	(16.6)	5.0	(5.0)
Manders Hldgs.	Dec	4,020	(3,380)	15.6	(13.6)	5.4	(4.8)
Matthews (Bnrd.)	Jan	1,620	(4,750)	11.8	(34.8)	4.38	(4.38)
Metal Closures	Dec	6,120	(5,510)	18.3	(16.9)	5.7	(5.4)
Midland Bank	Dec	232,200	(231,800)	115.3	(102.7)	24.0	(21.5)
Mixconcrete	Dec	50	(1,600)	1.9	(9.3)	4.05	(4.05)
Montford Knit	Dec	710L	(385)L	—	(3.4)	1.0	(2.0)
Morgan Grenfell	Dec	10,080†	(7,210)†	29.8	(23.8)	5.8	(4.67)
Ocean Transport	Dec	33,400	(35,500)	13.8	(25.5)	9.0	(9.0)
Oliver (George)	Dec	1,310	(1,180)	18.1	(15.4)	5.2	(4.4)
Prudential	Dec	43,200	(42,500)	14.6	(14.3)	12.5	(11.0)
Queens Moat Hse.	Dec	1,030	(970)	2.5	(3.0)	1.1	(0.78)
Relyon PBWS	Dec	1,800	(1,450)	11.0	(14.7)	3.25	(4.8)
Rockware	Dec	900	(470)	2.8	(0.3)	2.1	(2.1)
Rotork	Dec	2,840	(2,750)	6.8	(9.1)	2.45	(2.2)
Slough Estates	Dec	13,470	(11,430)	8.3	(7.1)	3.33	(2.76)
Smith & Nephew	Dec	29,130	(24,320)	9.8	(8.8)	4.0	(3.5)
Squirrel Horn	Dec	460	(244)	5.2	(6.0)	1.81	(1.56)
Tomatin Dstlrs.	Dec	2,370L	(1,360)L	—	(—)	—	(0.1)
Tricentrol	Dec	45,140a	(41,090)a	23.7	(31.2)	8.4	(8.4)
Utd. Newspapers	Dec	3,640	(4,540)	14.6	(20.8)	12.0	(12.0)
Vickers	Dec	24,800	(28,600)	22.7	(34.5)	12.0	(12.0)
Waterford Glass	Dec	10,380‡	(8,050)‡	4.1	(3.0)	1.51	(1.51)
Watmoughs	Dec	1,530	(1,720)	22.1	(26.7)	5.45	(5.25)
Williams & James	Dec	6L	(46)L	—	(—)	2.41	(2.41)
Willis Faber	Dec	27,180	(19,370)	32.5	(23.9)	15.0	(12.0)
Woodward (H.)	Sept	131	(278)	7.8	(13.7)	2.2	(2.2)
Yeates (W. S.)	Oct	827	(1,270)	35.2	(52.8)	10.16	(8.17)
York Mnt. Group	Dec	265	(89)	23.3	(2.1)	2.1	(—)

Scrip Issues

Exeter Building and Construction Group—One for three.
Percy Lane Group—One for two.
Relyon PBWS—One for five.

Rights Issues

Albert Fisher Group—One for two rights issue at 20p per share to raise £385,000.
Bank Leumi (UK)—Is raising £2.5m by way of a one for two rights issue at 170p per share.
Queens Moat Houses—Is raising £15.082m by way of rights issues of 41.8m ordinary shares on the basis of nine for ten at 27p each and £3.85m in convertible loan stock.
Riley Leisure—Is raising £3.312m by way of a rights issue on the basis of one for two at 98p per share.
Vickers—One for four rights issue at 133p per share to raise £23.3m.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
A. & G. Security	Jan	239	(122)	0.75	(—)
Amal. Distilled	Dec	1,006§	(116)	0.75	(0.5)
Armstrong Equip.	Dec	1,310L	(741)	0.35	(0.55)
BCA	Jan	1,530	(1,196)	1.75	(1.5)
Bell (Arthur)	Dec	14,880	(9,780)	1.7	(1.55)
Blue Bird Cnfect.	Jan	201	(115)	1.45	(1.45)
Burton Group	Feb	14,170	(8,550)	2.5	(2.0)
Fairview Ests.	Dec	2,830	(2,700)	1.33	(1.27)
Finance & Ind.	Jan	64	(58)	—	(—)
Fisher (Albert)	Feb	21L	(17)	—	(—)
Gartons	June	228L	(62)	—	(—)
Lucas Industries	Jan	7,020	(28,090)L	2.8	(2.6)
Makin (J. & J.)	Sept	263	(576)	1.0	(1.0)
Maynards	Dec	1,360	(1,520)	3.13	(3.13)
Mills & Allen	Dec	8,220	(5,290)	6.0	(5.0)
Paterson Zochonis	Dec	13,116	(12,281)	1.33	(1.33)
Peachey Prop.	Dec	2,670	(1,847)	2.25	(1.5)
Reliable Props.	Dec	274	(294)	1.25	(1.25)
Ricardo Engns.	Dec	811	(438)	3.5	(3.5)
Riley Leisure	Jan	380	(310)	1.5	(1.25)
Saga Holidays	Dec	1,450	(1,320)	1.2	(1.07)
Second Cty. Prop.	Oct	648	(569)	0.62	(0.5)
Sirdar	Jan	2,630	(2,300)	1.6	(1.35)
Strong & Fisher	Jan	330	(129)L	1.67	(2.5)
Thorpe (F. W.)	Dec	296	(274)	1.05	(1.0)
Trafford Park Est.	Dec	1,070	(911)	3.0	(2.75)
Walker (J.) Gold	Oct	297L	(670)	1.0	(1.0)
Waring & Gillow	Sept	1,000	(3,420)	1.5	(1.5)
Woodrow Wyatt	Sept	596L	(25)L	—	(0.5)

(Dividends in parentheses are for the corresponding period.) * Dividends shown net except where otherwise stated. † Net profits. ‡ For the previous nine months. § to t£. ‖ Profit attributable to shareholders. § For nine months. a Pre-tax income. L Loss.

Offers for sale, placings and introductions

Attwoods—Re-listing of shares and dealings are expected to resume on April 1.
George Dew—Introduction to the Stock Exchange expected next week.
Standard Securities—Is coming to the Stock Market by way of a placing of 2.3m ordinary shares at 136p each.

Progress at Newman-Tonks

AN INCREASE of £435,000 to £955,000 in pre-tax profits is reported by Newman-Tonks Group for the half-year to January 31 1982. Turnover of this metal hardware manufacturer improved from £16.21m to £19.66m. The interim dividend is unchanged at 1.65p—last year's total was 5.1p.

The directors say that current trading shows a similar pattern emerging for the second half which should be reflected in the company's results, although they do not anticipate the same degree of seasonal bias towards the second half as the company experienced last year.

Rationalisation and tighter control continues to strengthen its balance sheet, and the company is in a strong position to expand its activities both by new capital investment and by acquisition.

The board is currently reviewing a number of possibilities which could make useful additions to the scope of its activities.

They say that although there can be no certainty that the tentative recovery that it is experiencing will last in the long-term, the group is well-placed to take advantage of an upturn in the economy when it occurs, and this should have an immediate effect on profitability.

Tax for the halfyear was up from £167,000 to £175,000. Stated earnings per 25p share rose from 1.88p to 4.16p.

Sanderson recovery continues

FOLLOWING a return to profits in the second half of 1980/81, Sanderson Murray and Elder (Holdings), woolcomber, man-made fibre processor, turned in a taxable surplus of £30,000 for the six months ended December 31 1981, against a previous £22,000 loss.

For the whole of the previous year the company incurred a £13,000 loss.

Sales amounted to £2.52m (£2.44m) and there was a trading profit of £2,000, compared with a £50,000 loss. Pre-tax figure included investment income, unchanged at £28,000.

N. Kalgurli survival calls for rights and mine closure

BY KENNETH MARSTON, MINING EDITOR

ONLY A few weeks after Australia's Metal Exploration won the battle to raise its stake in the gold-producing North Kalgurli from 20 per cent to 35 per cent, a rapid and serious deterioration in the latter's finances has called for a A$2.6m (£1.52m) rights issue. In addition, North Kalgurli's gold mine at Fimiston in Western Australia will have to be mothballed.

North Kalgurli holders are to be offered 16 new shares at 30 cents (equal to about 17½p at current exchange rates) for every 100 shares held.

For each new share subscribed, holders will be entitled to one five-year option (to be issued at 1 cent) on a further share at 30 cents. Metals Ex is guaranteeing subscriptions of A$965,456, including its own entitlement to the issue.

Following the latest news, which confirms recent market rumours, shares of North Kalgurli eased to 17p before closing unchanged at 19p, while those of Metal Ex fell 1p to 18p. The latter were around 40p earlier this year when the company was bidding A$1.50, then equal to 89p, for shares in North Kalgurli.

North Kalgurli said recently that the half-year report could not be issued owing to the lack of accurate and adequate financial information. Metals Ex, which is represented on the board, supported a decision to appoint an independent firm of chartered accountants to review the situation.

The assessment of the latter, Peat Marwick Mitchell, shows that substantial losses have continued since January and trade creditors and liabilities have now risen to A$3.4m. Cash in hand is put at A$1m.

North Kalgurli is also shown as owing the Australian Resources Development Bank A$5.4m under a term loan secured by a first mortgage over the mine.

North Kalgurli says the fall in the gold price is only partly to blame for the deterioration in its finances. More importantly, there has been a failure to achieve the planned level of production tonnages and ore grades.

Mine mill and infrastructure are all well established but underground development work has not been sufficient to support much higher production levels. However, it is intended that the mine will be reopened when higher gold prices return.

H. J. Baldwin in dispute

A DISPUTE between Hartley Baird and a subsidiary, H. J. Baldwin, the clay and concrete manufacturer, is detailed in the latest report and accounts of Baldwin.

Mr M. J. G. Moir, Mr D. A. Landau and Miss K. H. Parkes, directors of Hartley Baird, which holds a 68.3 per cent stake in Baldwin, claim that they were appointed directors of the company, say the accounts, at a meeting on April 1 1981 and that they remained directors until they all resigned by letter on November 3 1981.

"The board has taken legal advice on this matter and as a result is satisfied that the three Hartley Baird directors were not directors during the above period," says the accounts.

In his chairman's statement Mr R. S. Hursthouse tells shareholders that Mr Moir, chairman of Hartley Baird, and its secretary, Miss Parkes, have "repeatedly challenged" the composition of the board "and have threatened proceedings against individual directors and the company secretary.

Hartley Baird has put down a special resolution to amend the articles of association at the annual meeting. The proposed change, according to Baldwin, "would appear to give power to the holding company by an indirect means to control the composition of the board which it may already do directly."

The board recommends the shareholders to vote against the resolution.

The accounts of the group show trading profits for the year ending April 30 1981 down from £255,897 to £111,329.

The meeting will be held on April 15 in Nottingham

Soton IoW declines to £1.05m

FOLLOWING THE industrial dispute at Southampton, which has since been settled, pre-tax profits of Southampton, Isle of Wight and South of England Royal Mail Steam Packet Company fell from £1.59m to £1.05m for 1981. At midterm a decline from £532,000 to £345,000 was reported.

Yearly earnings per 50p share are stated at 15.11p (22.25p) and the total dividend is effectively held at 7.5p with a final payment of 5.5p net.

Turnover amounted to £7.19m (£7.07m) and profits were struck after associates losses of £11,289 (£8,190). They included interest and dividend received £310,088 (£319,843) and a £57,093 (£110,712) surplus on the disposal of fixed assets.

Tax for the 12 months took £534,971 (£833,330).

BASE LENDING RATES

A.B.N. Bank	13 %	Grindlays Bank	‡13 %
Allied Irish Bank	13 %	■ Guinness Mahon	13 %
American Express Bk.	13 %	■ Hambros Bank	13 %
Amro Bank	13 %	Heritable & Gen. Trust	13 %
Henry Ansbacher	13 %	■ Hill Samuel	§13 %
Arbuthnot Latham	13 %	C. Hoare & Co.	†13 %
Associates Cap. Corp.	13 %	Hongkong & Shanghai	13 %
Banco de Bilbao	13 %	Kingsnorth Trust Ltd.	14 %
BCCI	13 %	Knowsley & Co. Ltd.	13½ %
Bank Hapoalim BM	13 %	Lloyds Bank	13 %
Bank Leumi (UK) plc	13 %	Mallinhall Limited	13 %
Bank of Cyprus	13 %	Edward Manson & Co.	14 %
Bank Street Sec. Ltd.	14 %	Midland Bank	13 %
Bank of N.S.W.	13 %	■ Samuel Montagu	13 %
Banque Belge Ltd.	13 %	■ Morgan Grenfell	13 %
Banque du Rhone et de la Tamise S.A.	13½ %	National Westminster	13 %
Barclays Bank	13 %	Norwich General Trust	13 %
Beneficial Trust Ltd.	14 %	P. S. Refson & Co.	13 %
Bremar Holdings Ltd.	14 %	Roxburghe Guarantee	13½ %
Brit. Bank of Mid. East	13 %	E. S. Schwab	13 %
■ Brown Shipley	13 %	Slavenburg's Bank	13 %
Canada Perm't Trust	14 %	Standard Chartered	‖13 %
Castle Court Trust Ltd.	13½ %	Trade Dev. Bank	13 %
Cavendish G'ty T'st Ltd.	15½ %	Trustee Savings Bank	13 %
Cayzer Ltd.	13½ %	TCB Ltd.	13 %
Cedar Holdings	13 %	United Bank of Kuwait	13 %
■ Charterhouse Japhet	13 %	Whiteaway Laidlaw	13½ %
Choulartons	14 %	Williams & Glyn's	13 %
Citibank Savings	¶12¾ %	Wintrust Secs. Ltd.	13 %
Clydesdale Bank	13 %	Yorkshire Bank	13 %
C. E. Coates	14 %		
Consolidated Credits	13½ %		
Co-operative Bank	*13 %		
Corinthian Secs.	13 %		
The Cyprus Popular Bk.	13 %		
Duncan Lawrie	13 %		
Eagil Trust	13 %		
E.T. Trust	13½ %		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	18½ %		
First Nat. Secs. Ltd.	16½ %		
Robert Fraser	14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposit 10%. 1-month 10.25%. Short term £8,000/12 month 12.6%.
† 7-day deposits on sums of: under £10,000 10¼%. £10,000 up to £50,000 11%. £50,000 and over 11½%.
‡ Call deposits £1,000 and over 10%.
‖ 21-day deposits over £1,000 11¼%.
§ Demand deposits 10¼%.
¶ Mortgage base rate.

SPAIN

March 26	Price %	+or−
Banco Bilbao	342	
Banco Central	339	
Banco Exterior	302	
Banco Hispano	314	
Banco Ind. Cat.	110	
Banco Santander	341	
Banco Urquijo	204	
Banco Vizcaya	361	
Banco Zaragoza	241	+2
Dragados	153	+3
Espanola Zinc	60.5	
Fecsa	61	+0.3
Gal. Preciados	36	−2
Hidrola	63	+1.3
Iberduero	52	−1.3
Petroleos	92.9	+1.2
Petroliber	99	
Sogefisa	90	
Telefonica	71	
Union Elect.	63.7	

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$325	6	17	2	29.50	—	—	$322.75
GOLD C	$350	4	6	8	18.50	2	28.50	"
GOLD C	$375	5	2.50	25	11	—	—	"
GOLD C	$400	—	—	5	6.50	—	—	"
GOLD P	$300	—	—	9	12.50	—	—	"
GOLD P	$325	2	15 B	15	20	30	23.50	"
GOLD P	$350	16	51	—	—	—	—	"
GOLD P	$375	—	—	10	51	—	—	"
12¾ NL 81 87-91								
C	F.107.50	—	—	40	5.50 B	—	—	F.112.90
C	F.110	20	5	541	3.20	—	—	"
C	F.112.50	10	1.40	10	1.90	—	—	"
C	F.115	—	—	465	0.70	—	—	"
P	F.107.50	—	—	10	0.40	—	—	"
P	F.112.50	—	—	35	1.50	—	—	"
10¼ NL 80 86-95								
C	F.100	—	—	5	5	—	—	F.102.60
P	F.97.50	—	—	—	—	6	0.50	"
11¼ NL 82 88-92								
C	F.102.50	30	1.70	80	2.30	—	—	F.103.60
C	F.105	30	0.50	—	—	—	—	"
		April		July		Oct.		
ABN C	F.300	—	—	5	2.80	—	—	F.287
AKZO C	F.22.50	20	6.90	—	—	—	—	F29.30
AKZO C	F.25	15	4.40	10	5	—	—	"
AKZO C	F.27.50	45	2	..	..	5	3.30	"
AKZO C	F.30	98	0.80	85	1.60	44	2	"
AKZO P	F.25	6	0.10	85	0.40	..	..	"
AKZO P	F.27.50	—	—	76	0.80	26	1.20	"
HEIN C	F.50	—	—	10	6.50	..	.	F.53.80
HEIN C	F.55	12	1 B	64	3.10	9	3.70	"
KLM C	F.90	12	19.60	—	—	—	—	F.108.70
KLM C	F.100	222	9.80	29	15.80	—	—	"
KLM C	F.110	128	4	167	8.90	—	—	"
KLM C	F.120	123	1.40 A	—	—	—	—	"
KLM P	F.100	30	1.20	6	4.20	—	—	"
KLM P	F.110	107	4.80 B	8	7.20	—	—	"
NEDL C	F.120	10	6	—	—	—	—	F.120.30
NEDL C	F.130	18	1.30	27	3.90	—	—	"
NEDL P	F.110	5	0.40	—	—	—	—	"
NEDL P	F.120	6	3.30	—	—	—	—	"
NATN C	F.110	8	1.70	—	—	—	.	F.109.80
PETR C	Fr.5000	..	.	—	—	5	300	Fr.4620
PHIL C	F.20	58	3.80	10	3.80	5	4.30	F.23.70
PHIL C	F.22.50	154	1.30	139	1.90	51	2.80	"
PHIL P	F.25	340	0.50	64	1	271	1.50	"
PHIL P	F.22.50	40	0.10	—	—	—	—	"
PHIL P	F.25	12	1.50 A	—	—	—	—	"
RD C	F.70	25	16.10	—	—	—	—	F.85.60
RD C	F.80	119	6	69	6.90	26	8.50	"
RD C	F.90	438	0.90	154	2	34	3.80 A	"
RD P	F.70	—	—	14	0.50	—	—	"
RD P	F.80	17	0.60	62	2.40 B	76	3.20	"
UNIL C	F.150	10	6.80 B	20	8.00	—	—	F.155.70
UNIL C	F.160	128	1.10	54	8.90	—	—	"
UNIL C	F.170	17	0.10	—	—	—	..	"
UNIL P	F.150	40	0.80	20	4.50	—	—	"
UNIL P	F.160	10	4.50	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS: 5582
A=Asked B=Bid C=Call. P=Put

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1981-82 High	1981-82 Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
129	100	Ass. Brit. Ind. CULS	129	—	10.0	7.8	—	—
75	62	Airsprung	73	—	4.7	6.4	11.6	16.0
51	33	Armitage & Rhodes	45	—	4.3	9.6	3.8	8.5
205	157	Bardon Hill	198	−2	9.7	4.9	9.6	11.7
107	100	CCL 11pc Conv. Pref.	107	—	15.7	14.7	—	—
104	63	Deborah Services	63	—	6.0	8.5	3.1	5.9
131	97	Frank Horsell	126	−1	6.4	5.1	11.4	23.3
83	39	Frederick Parker	78xd	—	6.4	8.2	4.0	7.8
78	46	George Blair	53	−1	—	—	—	—
102	93	Ind. Precision Castings	97	—	7.3	7.5	7.0	10.5
109	100	Isis Conv. Pref.	108	−1	15.7	14.5	—	—
113	94	Jackson Group	97	—	7.0	7.2	3.1	8.9
130	106	James Burrough	116	—	8.7	7.5	8.5	10.8
334	248	Robert Jenkins	250	−2	31.3	12.5	3.5	8.8
64	51	Scruttons "A"	64	—	5.3	8.3	3.8	9.1
222	159	Torday & Carlisle	159	—	10.7	6.7	5.1	9.5
15	10	Twinlock Ord	14	—	—	—	—	—
80	66	Twinlock 15pc ULS	79½	—	15.0	18.9	—	—
44	25	Unilock Holdings	25	—	3.0	12.0	4.5	7.6
103	73	Walter Alexander	79	—	6.4	8.1	5.2	9.2
263	212	W. S. Yeates	231	—	14.5	6.3	8.0	12.1

Prices now available on Prestel page 48146.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	14	½-year	1,000	4-8

U.K. CONVERTIBLE STOCKS 27/3/82

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates&	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.§	Income Div.▽	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	304.50	333.3	80-97	4.0	1.1	4.4	−3 to 4	31.5	89.1	19.8	+15.4
Hanson Trust 6½pc Cv. 88-93	3.02	177.50	114.3	76-83	3.7		−2.9	−52 to −1	8.4	0.0	−4.6	−1.7
Hanson Trust 9½pc Cv. 01-06	150.59	118.50	71.4	85-01	8.2	7.9	3.7	2 to 10	84.8	68.7	−14.0	−17.7
Slough Estates 10pc Cv. 87-90	5.31	259.50	187.5	78-84	3.9		−1.1	−8 to 5	22.9	17.9	−1.9	−0.8
Slough Estates 8pc Cv. 91-94	24.88	117.00	78.0	80-91	6.9	5.8	7.1	3 to 14	33.0	45.1	11.0	+3.9

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. & Second date is assumed date of conversion. This is not necessarily the last date of conversion.

LADBROKE INDEX
Close 552-557 (−5)

THE TRING HALL USM INDEX
120.9
close of business 26/3/82
BASE DATE 10/11/80 100
Tel: 01-638 1591

WORLD STOCK MARKETS

Early 6.5 decline on Wall St

PRICES DECLINED on Wall Street yesterday, when investors moved out of the market ahead of the Weekly Money Supply report, to be released after the close.

By 1 pm the Dow Jones Industrial Average was down 6.57 to 821.08, reducing its rise on the week to 15.41, while the NYSE All Common Index, at $64.71, shed 44 cents on the day but still up $1.09 on the week. Declines led advances by a seven-to-four majority, while the trading volume decreased 3.72m shares to 32.3m compared with 1 pm on Thursday.

Analysts said projections for the change in the M-1 measure of the Money Supply range from up or down $3bn. A rise in M-1 could place upward pressure on interest rates.

Of even greater concern to investors is the projection that the Money Supply will show a large bulge in April, analysts said, which could prompt the Federal Reserve to tighten credit.

Heavy Institutional trading was evidenced by the activity in Blue Chip and Basic Industry stocks. Ralston Purina shed $\frac{3}{8}$ to $12\frac{3}{8}$. The volume leader on a block of 1.729m shares.

Mobil, in second place, were off $\frac{3}{8}$ at $22\frac{1}{2}$—a block of 1,272,100 shares traded at $22. Other active Blue Chips included Sears, off $\frac{1}{4}$ to $18\frac{3}{8}$, Exxon off $\frac{1}{4}$ to $28\frac{1}{2}$ and IBM down $\frac{1}{4}$ to $59\frac{1}{4}$.

Cities Service rose another $1\frac{1}{2}$ to $31\frac{1}{2}$ on takeover rumours.

Schlitz lost $\frac{3}{8}$ to $13\frac{1}{4}$ in active trading—it raised its takeover bid for PABST to $20\frac{1}{2}$ a share, from $16. PABST (Over the Counter) advanced $2\frac{1}{4}$ to $16\frac{1}{2}$ bid.

Kane Miller jumped $2\frac{1}{4}$ to $14\frac{1}{2}$—it plans to buy back 450,000 shares at $15 each.

Datapoint fell $1\frac{1}{2}$ to $23\frac{3}{4}$ after announcing its plans to close a plant and freeze wages.

Tektronix improved $1\frac{1}{4}$ to $47\frac{3}{4}$—it reported nearly unchanged third quarter earnings.

Apache Petroleum were up $1\frac{1}{4}$ to $19\frac{3}{4}$, while Dow Chemical eased $\frac{1}{4}$ to $23\frac{3}{4}$ and Apache Corpn dipped $\frac{1}{2}$ to 13—Dow agreed to sell its U.S. oil and gas properties to Apache Petroleum and Apache Corpn.

THE AMERICAN SE Market Value Index lost 1.45 to 260.68. Turnover some 2.4m (2.69m) shares.

Canada

Prices were off at midsession, with all but one of the 14 indices lower.

The Toronto Composite Index shed 7.8 to 1,612.5. Metals and Minerals 7.2 to 1,492.2. Oil and Gas 15.4 to 2,612.6, Golds 43.8 to 2,221.2, and Banks 2.14 to 321.55.

Turbo Resources were halted at $2.15—pending talks regarding a major refinancing of its debt.

Australia

Resource stocks were cut back by profit-taking in moderately active trading, while Industrials again firmed.

Partners in the Jackson South oil find struggled to hold gains made on Thursday and Claremont shed 5 cents to A$1.03.

Of the other Jackson partners, Santos lost 5 cents to A$4.50, Vamgas 10 cents to A$8 and CSR, which has a 32 per cent interest in Jackson through Delhi, were down 8 cents to A$3.28.

Alliance Oil Development, which has an interest in the Merrimelia field, were up 4 cents to A$1.17, after A$1.22.

Gold Mines were generally easier in line with overnight gold price falls. Central Norseman dipped 25 cents to A$3.70, but Peko were up 5 cents to A$4.90, while Poseidon lost 10 cents to A$1.55.

Hartogen Energy were cut back 55 cents to A$3.05 ahead of an announcement of a three-for-one cash issue to raise A$39.26m. Genoa, which intends to take up its 44.87 per cent entitlement, moved down 20 cents to A$1.20.

Tokyo

Share prices finished slightly higher, led by Speculatives and some Domestic issues, but internationally popular stocks ended slightly weaker. Volume 380m (330m) shares.

Investors continued to cluster in droves around Sumitomo Metal Mining and Mitsui Mining and Smelting. Sumitomo added another Y18 at Y826, while Mitsui also gained Y16.

Sparked by the discovery of a Gold Mine by Sumitomo, buying has been spreading to other Mining shares. Nittetsu Mining went up briefly Y85 during the day. Traders cited speculation that Nittetsu may have mines that may prove to be more promising than the mine Sumitomo found in south-western Japan.

Steels went up over a broad front, mainly on news that their equipment investment in fiscal 1982 will show a sharp increase. News reports said that the total capital spending by the country's five major Steel Makers would climb 39.4 per cent from fiscal 1981. The sharp increase was an expression of the Steel Makers determination to maintain their competitive edge against foreign producers with increased output of value-added products.

Constructions showed a broad advance — investors were anticipating a substantial improvement in their pre-tax earnings in fiscal 1981. Construction orders were reported also to have already received large amounts of orders for the next fiscal year.

News that General Motors has agreed to team up with Fujitsu Fanuc to manufacture and market robots in the U.S. sent the stock of the Japanese company zooming Y110.

Singapore

Slightly lower on lack of buying support in quiet selective trading, with lower Hong Kong market advices depressing sentiment further.

Hotels, Properties and the Second trading section were mixed, while Commodities were lower in line with the general trend.

Paris

French and Foreign stocks were marked up across the board in a busy session.

Contributing to the bullish sentiment was the mechanical effect of the market's reduced liquidity following the disappearance of the stock of Nationalised companies, and also Banks from the Exchange on Wednesday.

In higher Electricals, Radiotechnique advanced FFr 10.5 to FFr 295—it will provide V2000 video recorders for the European market from October.

Motors were mixed. Rubbers were easier, while Constructions, Engineerings, Metals, Oils and Chemicals were firm.

Germany

Most shares closed higher in modest turnover.

Steel led the way, encouraged by Thursday's modest 4.2 per cent wage increase for the industry. Thyssen rose DM1 to 85.2 on a 15 per cent rise in sales in the first five months of its year and also forecasting markedly better results.

Renewed Government pledges to protect the German Steel industry from cheaper, State-subsidised imports also encouraged investors to pick up Steel shares.

Domestic Bonds were narrowly mixed, with quotes for mark-denominated Eurobonds finishing well-maintained.

Deutsche Bundesbank sold DM 26.6m in Public Sector Bonds to balance the market.

Switzerland

Domestic shares firmed in fairly active Settlement's day trading.

Thursday's news that Basle's Consumer Price rise slowed in March, and expectations local short-term interest rates will continue to decline next week aided markets.

Closing prices for North America were not available for this edition.

Indices

NEW YORK —DOW JONES

	Mar. 25	Mar. 24	Mar. 23	Mar. 22	Mar. 19	Mar. 18	1981-82 High	1981-82 Low	Since Compil't'n High	Since Compil't'n Low
♦Industr'ls	827.65	823.34	826.67	812.54	805.65	805.27	1024.05 (27/4)	796.47 (8/3/82)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	58.46	58.24	58.46	58.35	58.51	58.51	65.78 (15/1/81)	54.99 (1/10)	—	—
Transport.	335.68	337.21	339.34	336.73	323.16	329.45	447.56 (16/4)	314.36 (8/3/82)	447.58 (16/4/81)	12.23 (8/7/32)
Utilities	103.56	108.41	108.40	107.68	106.58	105.65	117.81 (5/1/81)	101.20 (28/9)	163.32 (20/4/69)	10.5 (28/4/42)
Trading Vol 000's	51,970	49,360	57,150	57,610	46,250	54,270	—	—	—	—

♦Day's high 833.71 low 812.59

Ind. div. yield %	Mar. 19	Mar. 12	Mar. 5	Year ago (approx)
	6.92	6.99	6.90	5.58

STANDARD AND POORS

	Mar. 25	Mar. 24	Mar. 23	Mar. 22	Mar. 19	Mar. 18	1981-82 High	1981-82 Low	Since Compil't'n High	Since Compil't'n Low
Indust'ls	125.61	125.34	126.07	125.27	122.74	122.45	157.02 (6/1/81)	118.41 (8/3/82)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	115.21	112.97	113.55	112.77	110.61	110.30	138.12 (6/1/81)	107.34 (8/3/82)	140.52 (28/11/80)	4.40 (1/6/32)

	Mar. 24	Mar. 17	Mar. 10	Year ago (approx)
Ind. div. yield %	5.88	6.08	6.09	4.44
Ind. P/E Ratio	7.64	7.37	7.37	8.68
Long Gov. Bond yield	13.14	13.14	13.15	12.63

N.Y. S.E. ALL COMMON

Mar. 25	Mar. 24	Mar. 23	Mar. 22	1981-82 High	1981-82 Low
65.15	65.00	65.50	64.86	79.14 (5/1/81)	62.05 (8/3/82)

Rises and Falls	Mar. 25	Mar. 24	Mar. 23
Issues Traded	1,816	1,850	1,902
Rises	822	655	971
Falls	607	772	528
Unchanged	387	432	403
New Highs	80	22	32
New Lows	18	23	19

MONTREAL

	Mar. 25	Mar. 24	Mar. 23	Mar. 22	1981-82 High	1981-82 Low
Industrials	285.91	281.34	286.32	284.65	408.56 (27/5)	270.45 (16/3/82)
Combined	272.74	270.59	273.94	272.55	375.28 (13/6)	259.08 (15/3/82)
TORONTO Composite	1620.5	1615.9	1629.4	1622.1	2390.55 (16/7)	1537.6 (15/3/82)

	Mar. 26	Mar. 25	Mar. 24	Mar. 23	1981-82 High	1981-82 Low
AUSTRALIA						
All Ord. (1/1/80)	475.7	476.5	473.1	470.5	737.5 (8/4)	455.6 (10/3/82)
Metal & Minls. (1/1/80)	537.1	542.1	541.9	532.5	736.2 (7/1/81)	522.4 (10/3/82)
AUSTRIA						
Credit Aktien (2/1/62)	53.64	53.47	55.40	55.40	58.43 (5/1/81)	53.45 (22/3/82)
BELGIUM						
Belgian SE (31/12/63)	97.59	99.50	95.64	95.02	101.50 (25/2/82)	59.55 (16/6)
DENMARK						
Copenhagen SE (1/1/73)	121.51	121.51	121.55	121.47	126.22 (22/2/82)	96.86 (2/1/81)
FRANCE						
CAC General (29/12/61)	99.60	99.5	99.8	90.5	112.5 (17/3/81)	77.5 (15/6)
Ind Tendance (31/12/81)	117.20	115.1	114.5	115.1	124.0 (9/2/82)	87.7 (4/1/82)
GERMANY						
FAZ-Aktien (31/12/58)	235.49	235.27	236.40	237.64	245.47 (8/7)	215.00 (9/2/81)
Commerzbank (Dec 1953)	714.00	716.6	720.6	723.9	759.9 (2/7)	656.4 (19/2/81)
HOLLAND						
ANP-CBS General (1970)	89.8	89.3	83.8	80.4	96.8 (20/8)	78.5 (28/9)
ANP-CBS Indust (1970)	72.9	72.1	71.5	70.4	76.4 (22/5)	61.4 (22/12)
HONG KONG						
Hang Seng Bank (31/7/64)	1188.16	1210.19	1223.58	1221.16	1810.20 (17/7)	1115.77 (5/10)
ITALY						
Banca Comm Ital. (1972)	208.74	209.22	209.45	208.58	292.05 (1/6)	166.44 (24/7)
JAPAN[**]						
Dow Average (16/5/49)	7205.82	7175.16	7154.51	7097.80	8019.14 (17/8)	6882.55 (17/3/82)
Tokyo New SE (4/1/68)	535.01	534.81	535.04	530.57	603.92 (17/8)	495.79 (5/1/81)
NORWAY						
Oslo SE (1/1/72)	113.01	113.57	114.26	114.65	145.72 (6/8)	110.54 (3/5)
SINGAPORE						
Straits Times (1966)	725.87	726.82	720.10	730.02	973.28 (6/6/8)	687.40 (8/3/82)
SOUTH AFRICA						
Gold (1958)	—	450.1	472.2	471.7	707.6 (7/1/81)	411.2 (8/3/82)
Industrial (1958)	—	570.8	574.6	575.9	711.7 (8/1/82)	537.2 (3/2/81)
SPAIN						
Madrid SE (30/12/81)	101.54	101.20	101.02	101.01	107.45 (8/2/82)	95.17 (5/1/82)
SWEDEN						
Jacobson & P. (1/7/58)	608.65	608.72	606.56	605.05	660.31 (10/8)	404.17 (28/1/81)
SWITZERLAND						
Swiss Bank Cpn. (31/12/58)	256.1	255.0	255.2	255.9	304.2 (2/4)	242.5 (11/3/82)
WORLD						
Capital Intl. (1/1/70)	—	152.5	152.9	152.6	162.0 (6/1/81)	125.1 (17/3/82)

(**) Sat Mar 20: Japan Dow (c). TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Delta Airlines	937,300	$29\frac{1}{2}$	−1
Transworld	916,700	$19\frac{3}{4}$	−1
Cities Service	873,700	$29\frac{3}{4}$	$+2\frac{3}{4}$
Dana	752,500	$26\frac{1}{2}$	$-\frac{1}{2}$
Sears Roebuck	657,200	19	$-\frac{1}{4}$
IBM	761,100	$59\frac{3}{4}$	$+\frac{1}{2}$
Alcan Aluminium	532,600	$18\frac{3}{4}$	$-\frac{1}{4}$
Baker Intl (Manufacturing?)	500,600	$28\frac{1}{4}$	$-\frac{1}{2}$
Ralston Purina	493,300	$12\frac{3}{4}$	$-\frac{1}{4}$
Digital Equipment	405,800	$75\frac{1}{2}$	$-2\frac{1}{2}$

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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INTERNATIONAL COMPANIES and FINANCE

Thyssen hints at improved dividend

By Our Financial Staff

THYSSEN, the West German steel and heavy industrial group, hinted at the possibility of a higher dividend this year following a return to profits for its steel operations.

Herr Dieter Spethmann, managing board chairman, told the annual meeting that the steel operations were back in the black as a result of price rises under the EEC's emergency steel cartel. That meant "the decision on the dividend for 1981-1982 will be easier."

In addition to the steel recovery, Herr Spethmann said Thyssen Industrie, a maker of heavy industrial equipment, had posted a significant improvement in earnings in the first five months of 1981-82. Thus Thyssen's overall earnings would show a "definite improvement" after the DM 68m ($28m) loss of 1980-81.

Worldwide group sales were up 15 per cent to a monthly average of DM 2.5bn in the first five months of this year. Revenues from steel sales were up 16 per cent, although volume deliveries were practically unchanged.

Herr Spethmann said he hoped for a quick, negotiated resolution of the dumping charges against Thyssen and other European steelmakers in the U.S. He would prove "point-by-point" that charges of price subsidies were unfounded.

Setback for Amro offshoot

NET EARNINGS of Pierson, Heldring and Pierson, the merchant bank subsidiary of Amsterdam-Rotterdam bank, more than halved to Fl 8m ($3m) in 1981, compared with Fl 17.4m a year-earlier.

A higher operating result was more than offset by a significantly larger allocation to provisions for general contingencies in line with the deterioration in the position of Dutch industry, the bank said. Provisions were increased by 114.8 per cent to Fl 32m.

Pierson's total income rose by 11.4 per cent to Fl 173.9m while costs rose at a slightly more moderate 10.6 per cent to Fl 134.8m.

Pierson's balance sheet total grew 19.4 per cent to Fl 6.2bn.
AP-DJ

Strong recovery in final quarter lifts BASF profit

BY KEVIN DONE IN FRANKFURT

BASF of West Germany, one of the world's leading chemical companies, staged a sharp recovery in profits during the final quarter of 1981, enabling it to record a marginal rise of 1.5 per cent in pre-tax profits for the year to DM 1.29bn ($540m) from DM 1.27bn in 1980.

Turnover worldwide—including all companies in which BASF has an interest of at least 50 per cent—rose by 14.1 per cent to DM 34.2bn, partly helped by the weakness of the D-mark against the dollar.

Group volume sales expanded by only 2 per cent, supported chiefly by strong growth in export markets. Foreign sales by the parent company rose by 19.6 per cent in value to DM 8.5bn and by 11.5 per cent in volume.

By contrast volume sales in the home market fell as a result of the continuing recession in important sectors of West German industry and showed only a marginal, nominal rise of 5.6 per cent in value to DM 5.7bn.

Group pre-tax profits in the final quarter of 1981, at DM 182m, were 49 per cent up compared with the same quarter a year earlier.

BASF accumulated major losses last year on its commodity plastics and oil refining operations, and profit margins came generally under pressure from rising energy and feedstock costs and unsatisfactory operating levels in some divisions.

The group improved returns on its specialty plastics and specialty chemicals activities, however, and also raised the profitability of its agricultural chemicals and fibres operations.

Group capital investment last year rose strongly, by 11.8 per cent to DM 2.1bn from DM 1.8bn in 1980, but the increase is accounted for partly by dollar-D-mark exchange rate factors and the concentration of foreign investment in North America. The workforce worldwide was virtually unchanged at 116,646.

Growth at Carrian Investments

BY ROBERT COTTRELL IN HONG KONG

CARRIAN INVESTMENTS, the publicly quoted arm of the Carrian group, had attributable profits of HK$626.2m (US$107.7m) for the year ended December against HK$461.8m for the nine-month period to December 1980. The 1981 profit is after HK$67m for "write-downs to market value of investments in quoted associate companies and other quoted investments," it said.

A final dividend of 26 cents a share is boosted by a special cash dividend of 7 cents, which the group says reflects the "excellent results," to make a total of 44 cents for the year, against an adjusted 23 cents for the previous period. Earnings per share of HK$1.07 compare with a prior HK$1.12.

The board has proposed a 1-for-10 scrip and said that in the current year, dividends should be at least maintained—excluding the special dividend—on the increased capital.

The board also said that "the company's policy of diversifying into other interests such as shipping, transport and insurance will contribute to a spread of diversified recurrent earnings in 1982."

French Grindlays sues Harvester for $1.3m

BY OUR BANKING CORRESPONDENT

GRINDLAYS BANK SA, the French subsidiary of Grindlays Bank of the UK, has filed a $1.3m suit against International Harvester, the financially troubled U.S. farm equipment manufacturer.

The suit, which was lodged in a Federal district court in Chicago earlier this month, is for the repayment of money borrowed under a parent company guarantee by International Harvester's French affiliate.

Harvester's financial problems were eased late last year when nearly 200 banks agreed to a $4.25bn two-year debt restructuring. There have been fears that the action by Grindlays, which is not a party to this agreement, could undermine Harvester's financial recovery by triggering the activation of cross-default clauses in existing loans.

Harvester said that it was contesting the suit and added that it "has no reason to believe that Grindlays' move posed any significant problem or that it would have wider implications."

The company said that the agent bank for the parent company's term loan was aware of the suit and at this time "we have no reason to suppose it poses any significant problem."

Grindlays Bank in London said that it had approved the action of its French subsidiary and stressed that the initiative was an independent move,

Bid for major stake in Boliden

By Westerly Christner in Stockholm

THREE COMPANIES within the so-called Wallenberg sphere have made a bid for about 1m shares in Boliden, the Swedish mining and metals group, according to ASEA one of the contenders.

ASEA, together with Atlas Copco and Gränges—all connected with the mining industry—would buy the shares from Volvo, the motor group. The deal was confirmed yesterday to be worth around SKr 250m ($43m).

Boliden said it was surprised by the overture but would not comment on whether it would attempt to stop the transaction.

Norsk Hydro plans share issue

By Fay Gjester in Oslo

NORSK HYDRO, Norway's largest industrial group, plans to raise NKr 428m ($73m) through a one-for-five rights issue at NKr 150 per share which it hopes to float before the summer.

The new issue is intended to help finance Hydro's investment programme, including its share of the planned gas gathering line in Norway's part of the North Sea, and the forthcoming development of the Norwegian "golden block" where Hydro is partnering Statoil, the state oil company, and Saga Petroleum.

Equity capital

Hydro points out that the funding is "also desirable" to strengthen the concern's equity capital, "which is still only 22 per cent of total capital, despite a significant reduction of debt over the past few years."

Hydro, whose profits before tax and year-end adjustments are provisionally put at NKr 1.9bn for 1981, has been spending heavily on capital account in recent years. It has also been busy on the acquisition front: earlier this year Hydro agreed to buy the agricultural fertiliser division of Fisons for £50m.

The 1981 provisional profit figures from Hydro compare with NKr 1.47bn in the previous 12 months and were achieved on sales 25 per cent higher at NKr 17.5bn.

Swiss bank sees upturn

By Our Financial Staff

SWISS VOLKSBANK expects earnings to improve in 1982 as a result of corrective measures taken after last year's poor results.

Net profit fell to SwFr 36m ($19m) in 1981 from SwFr 68m in 1980. The bank halved its dividend and drew on SwFr 130m of reserves to cover losses on silver dealing.

The managment's main priority is to "strengthen profitability."

More lay-offs as Caterpillar revises forecasts downwards

BY DAVID LASCELLES IN NEW YORK

THE GLOOMY outlook facing the U.S. heavy equipment industry was underscored yesterday when Caterpillar Tractor, the manufacturer of construction machinery, announced several thousand more lay-offs and lowered its sales and profits forecasts.

The company blamed the cuts on the failure of its more promising business lines to show the expected improvement, while weak areas had just got weaker. And it warned: "Depending on economic conditions, further adjustments to the workforce may be required."

Yesterday's announcement said a further 3,000 workers would have to be laid off in the weeks ahead, bringing total lay-offs to about 10,000 by mid-year. By then Caterpillar's workforce, which currently numbers 65,000, will have fallen to around 59,000. The new round of lay-offs will affect its U.S. employees, but plants in Europe are being put on a shorter working week.

Caterpillar said it had been forced to revise its 1982 sales outlook downwards. Last year, the company had sales of $9.15bn. It also warned that profits in the first quarter would be "substantially lower" than the $142m earned in the same period last year.

Sandoz advances despite foreign exchange losses

BY JOHN WICKS IN ZURICH

SANDOZ, the Swiss drugs and chemical company, has reported a 12 per cent increase in group net earnings for 1981 to SwFr 227m ($119m) from SwFr 202m a year earlier. Group turnover rose by 17.7 per cent to SwFr 5.77bn ($3.04bn).

Group net profits were the highest since the SwFr 235m reported for 1972, but "substantial currency translation losses" had cut the 1981 figure by about SwFr 128m, the company said.

The company proposes an unchanged 26 per cent dividend. Parent company net earnings were SwFr 81.4m, slightly higher than a year earlier.

The Basle-based group's cash flow increased to SwFr 543m, up by SwFr 55m. Capital expenditures rose by 19 per cent to SwFr 305m, their highest level since 1975.

Sandoz spent a total of SwFr 463m on research and development last year, a rise of more than 11 per cent from a year earlier, to equal about 8 per cent of turnover.

The group's staff grew by 894 to 36,353 by year-end, reflecting the consolidation of recently acquired companies.

Sharp rise in earnings for two major Italian banks

BY RUPERT CORNWELL IN ROME

CREDITO ITALIANO and Banco di Roma, Italy's third and fourth largest commercial banks, which are controlled by the state conglomerate, IRI, yesterday reported that net earnings more than doubled last year. Both proposed dividend increases of more than 16 per cent.

Net profits at Credito Italiano climbed to L37.5bn ($28.6m) from L15.2bn in 1980. Banco di Roma showed an increase to L31.6bn ($24m) from the L14.4bn.

The results suggest that whatever the pressure on bank deposits in real terms last year, as customers shifted money to higher yielding Treasury Bills, this has been more than outweighted by the wide spreads operated between rates charged to borrowers and those paid to depositors.

Schmidt raises bid for Pabst Brewing

By Our Financial Staff

SCHMIDT, the privately owned brewer based in Philadelphia, has increased its cash bid for Pabst Brewing, the struggling number three in the U.S. industry, to $168m or $20.5 a share.

The offer compares with the $16 a share put up by Schmidt last month, which Pabst rejected as financially inadequate and not in the best interests of Pabst shareholders.

Before the announcement of the new offer Pabst shares were trading yesterday at around $14½.

The struggle for control of Pabst comes at a time of intense competitive pressure in the U.S. brewing industry. Pabst was forced into the red last year, running up net losses of $23.5m, against a 1980 surplus of $12.6m.

Pabst is also under attack from a group of private businessmen who own 15 per cent of the company and who have been pursuing Pabst for more than a year. The group is led by Mr Irwin Jacobs, a Minneapolis businessman.

Hongkong Realty strongly ahead

By Our Hong Kong Correspondent

HONGKONG Realty and Trust announces profits after tax of HK$554.1m (US$95.5m) for 1981, compared with HK$106m in the nine months to December, 1980. The group also saw extraordinary profits of HK$201.5m, against HK$270.8m in the prior nine months, making a total profit of HK$755.6m.

A final dividend is proposed of 20 cents per A share and 4 cents per B share, making 37.5 cents and 7.5 cents for the year respectively. A special capital bonus is also proposed, of 42.5 cents per A share and 8.5 cents per B share.

COMMODITIES/REVIEW OF THE WEEK

Tin market easier on export control delay

BY OUR COMMODITIES STAFF

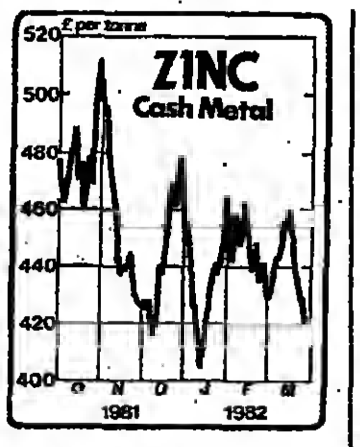
TIN PRICES weakened this week following the further adjournment of the International Tin Council meeting considering the imposition of export controls. The Council met again on Tuesday, following failure to reach agreement last Friday, but adjourned again until next week.

Main opposition to controls came from Britain and West Germany, who fear they could benefit the mystery group, believed to be acting on behalf of producers, that previously pushed prices to record levels. Meanwhile the EEC agreed to ratify the new International Tin Agreement, due to replace the existing pact expiring on June 30.

The further delay on export controls, however, depressed tin prices both in Penang and London. In Malaysia the Straits tin price fell from $M 30.30 to $M 30.03 a kilo, while on the London Metal Exchange standard grade cash tin lost £162.5 to £7,025 a tonne.

Other base metal values were also lower, hit by lack of buying interest and a downturn in gold, after its recovery earlier in the week.

Higher grade cash copper was £12.5 down on a week ago at £831 a tonne. Significantly Phelps Dodge, a leading U.S. producer, announced yesterday it was cutting its domestic selling price by 2 cents to 74 cents a lb., thus undermining the 76 cents minimum level recently announced by Kennecott.



The decline reflects continued poor demand, which has also hit the zinc market. This week, Metallgesellschaft and Preussag of West Germany, announced they were reducing their official European zinc producer price from $900 to $860 a tonne. This cut comes only a few weeks after they came into line with other producers by raising their price from $875 to $900.

So far other producers have not responded but the West German move to $860 is believed to represent a more realistic level in view of the recent fall in U.S. zinc prices and LME values. Cash zinc this week was £21.5 down at £420 a tonne, after having reached over £455 earlier this month.

Cocoa values ended at the lowest level since last July with the May position on the London futures market £29 down on the week at £1,010.50 a tonne. The decline was encouraged by rumours that Nigeria, which has been holding supplies off the market in the hope of higher prices, may soon be forced to sell because low oil prices have caused a severe shortage of foreign exchange. Nigeria is estimated still to have around 150,000 tonnes of current crop cocoa to sell.

Coffee prices were depressed by speculative selling and the May futures quotation dipped to £1,168.50 a tonne at one stage. But after a £19.50 rally yesterday, encouraged by the weakness of sterling, it ended only £46.50 down on the week at £1,188.00 a tonne.

RSS No. 1 spot natural rubber on the London physical market reached a four-month high of 54p a kilo, up 4.25p on the week, mainly reflecting speculative buying on the futures market.

The sugar market was fairly quiet with the August futures position losing £3.50 to £158.85 a tonne.

At a meeting of the International Sugar Organisation in London the total basic 1982 export quota for members was set at 16.86m tonnes, up from 15.15m in 1981. Even if this figure is reduced by the maximum 15 per cent it will remain well above estimated consumption of 12.94m tonnes.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981/82	
				High	Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£750/70
Free Markets c.i.f.	$990/1020	—45	$1450/480	$1590/1550	$990/1020
Antimony					
Free Market 99.6%	$2300/2400	+100	$2970/050	$3200/3260	$2125/225
Copper-Cash High Grade	£831	—12.5	£845.75	£1,023.5	£755
3 months Do. Do.	£857.25	—13.5	£868.75	£1,052.75	£777.5
Cash Cathodes	£828.5	—11.5	£837.25	£1,025	£748.5
3 months Do.	£853.75	—15	£855.5	£1,046	£765.5
Gold per oz.	$323	+6.5	$539.5	$501	$313
Lead Cash	£330.5	—9.5	£533	£502	£275.75
3 months	£340.25	—7.5	£538.75	£499.5	£285.25
Nickel	£3824	—	£3,558.55	£4,913.80	£2,915
Free Markets c.i.f. lb.	260/280c	—5	275/300c	290/510c	225/275c
Platinum per oz.	£260	—	£215.60	£260	£202
Free Market per oz.	£172.90	+1.25	£242.70	£250.90	£166.30
Quicksilver (76 lbs)	$390/400	—	$420/435	$435/438	$350/360
Silver per oz.	394.90p	+6.53	589.30p	671.20p	385.50p
3 months per oz.	407.75p	+5.90	606.40p	695.70p	397.40p
Tin cash	£7,025	—162.5	£6,220	£8,985	£5,700
3 months	£7,237.5	—160	£6,965	£8,257.5	£5,865.5
Tungsten Ind	$124.86	—	$146.25	$149.09	$124.86
Wolfram (22.04 lb.)	$108/112	—4.5	$149/52.5	$151/165	$108/112
Zinc cash	£420	—21.5	£348.5	£553.5	£306.5
3 months	£425.25	—21.75	£356.6	£556.5	£318.25
Producers	$860/900	—	$885	$1000	$823
GRAINS					
Barley Futures	£102.75 z	—	‡	£111.80	£94.40
Maize French	£135.5 u	—	‡	£154.50	£119.75
WHEAT Futures	£113.05t	—	‡	£121.10	£93.10
Hard Winter Wheat	‡	—	£102.25	£124	£102.0
SPICES					
Cloves (g)	£5,650y	—	£4,300	£6,000	£3,800
Pepper, white	$1,900x	—	$2,050	$2,150	$1,850
black	$1,400x	—	$1,450	$1,650	$1,225
OILS					
Coconut (Philippines)	$480x	—	$565	$640	$475
Groundnut 5%	$650x	—	‡	‡	‡
Linseed, Crude	‡	—	£408	£460	£400
Palm Malayan	£507w	+45	$580	$645	$475
SEEDS					
Copra (Philippines)	$330x	—	$375	$430	$325
Soyabeans (U.S.)	$264x	—	$312	$340	$246
OTHER COMMODITIES					
Cocoa Shipments §	£1,021	—34	£1,016	£1,416	£880
Cocoa Futures May	£1,010.5	—29	£919.5	£1,315	£789
Coffee Futures May	£1,188	—46.5	£1049	£1,355.5	£735.5
Cotton Index	70.75c	+0.1	90.85c	101.15c	67.20c
Des. Coconut	£500	—	£590	£680	£500
Gas Oil Fut. April	$256.75	+1.75	$214	$529	$235.25
Jute LJ ABW C grade	£263y	—	‡	£267	£219
Rubber kilo	54p	+4.25	55p	65.25	43p
Sago Pearl	£220y	—	£218	£252	£197
Sisal No. 3L	$640/650y	—	$750	$760	$640
Sugar (Raw)	£148yw	—6	£241	£316	£145
Tapioca No. 1	£215y	—	£215	£235	£207
Tea (quality) kilo	117p	—3	117p	140p	117p
(plain) kilo	‡	—	65p	67p	62p
Wooltops 64s Warp	392p kilo	—	516p kilo	400p kilo	294p kilo

‡ Unquoted. (g) Madagascar. (t) July. (u) April. (w) May. (z) Sept. ‡ May-June (x) Apl-May. (y) Mar-April. * Nominal. § Ghana cocoa.

BASE METALS

BASE-METAL PRICES drifted on the London Metal Exchange reflecting lack of interest and the decline in precious metals. Copper, subject to persistent selling from an influential quarter, fell away to close at £856.5; while Lead was finally £340.75 and Zinc £424.5. Aluminium closed at £574.75 and Nickel at £3,082.5. A further decline in Penang coupled with renewed hedge selling left forward Tin at £7,225.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
HighGrde				
Cash	855.5-6.5	—3.25	830.5-1.5	—3.5
3 mths	862-.5	—4	857-.5	—5
Settlem't	856.5	—3	—	.....
Cathodes				
Cash	833.5-4	—1.75	828-9	—3.5
3 months	858-.5	—4.25	853.5-4	—5
Settlem't	834	—2	—	.....
U.S. Prod.	—	—	*74-78	.....

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £835.50, 36.00, three months £865.00, 64.00, 63.50, 63.00, 62.50, 63.00, 64.00, 63.00, 62.50, 62.00, 62.50. Cathodes, cash £833.50, three months £858.00. Kerb: Higher Grade, three months £862.50, 62.00, 61.50, 61.00, 62.00. Afternoon: Higher Grade, three months £860.00, 59.00, 58.50, 57.00, 57.50. Cathodes, three months £853.50. Kerb: Higher Grade, three months £857.00, 58.50, 57.00. Turnover: 19,175 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7035-50	—70	7020-30	—65
3 months	7250-75	—75	7235-40	—65
Settlem't	7050	—65	—	.....
Standard				
Cash	7035-40	—75	7020-30	—65
3 months	7253-5	—72.5	7235-40	—65
Settlem't	7040	—75	—	.....
Straits E.	$30.03	—0.18	—	.....
NewYork	$30.19	.....	—	

Tin—Morning: Standard, cash £7,035, 40, three months £7,310, 7,260, 70, 60, 50, 55, 53, 55. Kerb: Standard, three months £7,255, 53. Afternoon: Standard, three months £7,250, 45, 40, 50, 45, 40, 35. Kerb: Standard, three months £7,230, 25. Turnover: 2,430 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	332-.5	—5.25	330-1	—3.5
3 months	342-.5	—3.5	340-.5	—3
Settlem't	332.5	—5.5	—	.....
U.S. Spot	—	.....	*27-32	.....

Lead—Morning: Cash £332.00, three months £344.00, 43.00, 42.50, 42.00. Kerb: Three months £342.50, 42.00, 41.50. Afternoon: Three months £342.00, 41.50, 41.00, 40.50, 40.75, 40.50. Kerb: Three months £340.50, 41.00, 40.50, 40.00, 41.00, 41.50, 41.00, 40.50. Turnover: 14,325 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	422.25-.5	—3.62	419.5-20.5	—4.5
3 months	427.5-8	—4.5	425-.5	—4
S'ment	422.5	—4	—	.....
Primw'ts	—	.....	*39.75-40.75	.....

Zinc—Morning: Cash £422.25, three months £430.00, 29.50, 29.25, 29.50, 29.00, 28.50, 28.00, 27.50. Kerb: Three months £427.50, 27.00. Afternoon: Three months £425.00, 24.00, 23.00, 24.00, 28.00, 23.00, 24.00, 24.50, 25.00, 25.50. Kerb: Three months £424.50, 24.00, 23.50, 23.00, 22.50, 23.00, 22.50, 23.00, 23.50, 24.00. Turnover: 17,175 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	553.5-4	—1	553	—.5
3 months	576-.5	—.5	574.5-5	—2.5

Aluminium—Morning: Cash £554.00, three months £579.00, 78.00, 77.50, 77.00, 76.50. Kerb: Three months £575.00. Afternoon: Three months £576.00, 75.50, 75.00. Kerb: Three months £574.00, 73.50, 73.00, 72.50, 73.00, 73.50, 74.00, 74.50. Turnover: 10,600 tonnes.

Nickel—Morning: mid-April £3,080, 50, three months £3,090, 95, 85, 80, 85. Afternoon: Cash £3,050, three months £3,085, 87, 85, 80. Kerb: Three months £3,080, 85. Turnover: 1,260 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3050-80	+11	3045-50	+5
3 months	3085-90	—1.5	3075-85	—7.5

* Cents per pound. $ $M per kilo. † On previous unofficial close.

SILVER

Silver was fixed 3p an ounce higher for spot delivery in the London bullion market yesterday at 394.9p. U.S. cent equivalents of the fixing levels were: spot 705.5c, down 0.1c; three-month 732.4c, up 0.8c; six-month 757.3c, up 1.3c; and 12-month 811.7c, up 1.7c. The metal opened at 392-395p (700-705c) and closed at 394-397p (705-710).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	394.90p	+3.00	396p	+3.50
3 months	407.75p	+3.35	407.9p	+3.35
6 months	420.00p	+3.70	—	.....
12months	447.20p	+3.80	—	.....

LME—Turnover: 80 (167) lots of 10,000 ozs. Morning: Three months 408.5, 08.0. Kerb: three months 407.5. Afternoon: three months 407.0, 07.7, 08.0, 07.9. Kerb: three months 408.0, 07.7.

COCOA

Futures continued to drift lower on further commission house and jobber selling to reach new nine month lows. Short-covering and book-squaring at the close helped to pare the losses, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
March	987-1005	—94.5	1025-998
May	1010-11	—15.5	1030-998
July	1039-40	—9.0	1057-30
Sept	1057-58	—14.5	1086-59
Dec	1100-01	—13.0	1119-97
March	1134-35	—10.0	1140-30
May	1149-59	—15.5	1155-45

Sales: 3,677 (2,827) lots of 100 tonnes.

ICCO—Daily price for March 26: 81.35 (82.58). Indicator price for March 29: 83.26 (83.96).

COFFEE

Trade buying during a quiet opening encouraged small gains, reports Drexel Burnham Lambert. Short-covering and weekend book-squaring maintained the steadier trend although the advance was somewhat restricted by profit-taking at the higher levels towards the close.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1155-60	+5.5	1160-50
May	1187-89	+19.5	1197-75
July	1152-54	+15.5	1163-43
Sept	1144-45	+15.0	1152-39
Nov	1135-36	+12.5	1142-31
January	1135-36	+13.0	1136-30
March	1115-40	+16.0	—

Sales: 4,320 (9,094) lots of 5 tonnes.

ICO Indicator prices for March 25 (U.S. cents per pound): Comp. daily 1979 120.89 (123.81); 15-day average 128.70 (130.64).

GRAINS

Old crops opened lower, new crops unchanged. Old crop wheat saw commercial and shipper selling during the morning. New crops remained firm all day, Acli reports.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 114.30, E. Mids 114.00. Feed barley: Eastern 106.00, E. Mids 107.00, N. East 109.00, Scotland 108.90. The UK Monetary Coefficient for the week beginning Monday April 5 (based on HGCA calculations using three days exchange rates) is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent April/May 15 114.50, May 114, June 113.75 transhipment East Coast sellers. English Feed fob April 118, May 119.75, June 121.50 East Coast sellers. Maize: French first half April 133.50 transhipment East Coast seller. S. African White/Yellow April/May 79 seller. Barley: English Feed fob Mar 111.50, Aug 104.50 East Coast sellers. Rest unquoted.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'rd'ys close	+ or —
May	115.60	—0.55	109.50	—0.20
July	119.05	—0.35	—	
Sept	106.70	+0.05	102.75	+0.15
Nov	110.35	+0.05	106.25	+0.05
Jan	114.35	+0.10	110.30	+0.15

Business done—Wheat: May 115.80-115.70, July 119.20-119.00, Sept 106.70 only, Nov 110.40-110.30, Jan 114.30 only. Sales: 103 lots of 100 tonnes. Barley: May 109.65-109.50, Sept 102.70 only, Nov 106.25 only, Jan 110.30-10.20. Sales: 107 lots of 100 tonnes.

GAS OIL FUTURES

London failed to respond to New York's limit up close, opening slightly higher but easing quickly in line with the European spot market. Weekend book-squaring boosted prices towards the close, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
March	264.00	—3.50	268.75-63.00
April	256.75	—3.00	261.75-58.25
May	248.00	—1.25	251.75-46.25
June	246.00	—2.00	249.00-44.00
July	247.00	—1.50	248.50-45.00
August	248.75	—1.25	250.00-47.50
Sept	251.00	—4.00	251.00
Oct	253.50	—5.50	—
Nov	256.00	—5.50	—

Sales: 2,719 (3,270) lots of 100 tonnes.

RUBBER

The London physical market opened slightly easier, attracted little interest through the day and closed quiet. Lewis and Peat recorded an April fob price for No 1 RSS in Kuala Lumpur of 207.0 (210.5) cents a kg and SMR 20 182.0 (184.5).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
May	55.00-55.30	55.00-55.20	55.20
June	55.50-56.00	—	—
Jly-Sept	57.60-57.70	57.70-57.90	58.20-57.50
Oct-Dec	58.80-58.90	58.80-58.90	59.30-58.75
Jan-Mar	60.70-60.80	60.70-60.80	61.00-60.90
Apl-Jne	62.30-62.40	62.50-63.10	62.60-62.30
Jly-Sept	64.00-64.20	64.30-64.50	64.30-64.20
Oct-Dec	65.50-65.70	67.00-67.10	65.80-65.70
J'n-Mch	67.20-67.50	—	68.60

Sales: 128 (235) lots of 15 tonnes. 1 (4) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 54.00p (53.25p); May 53.25p (53.00p); June 54.00p (53.50p).

SOYABEAN MEAL

The market opened unchanged and moved slightly easier following a mildly bearish Brazilian crop estimate, reports T. G. Roddick. Prices found commercial buying at lower levels.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
April	135.70-35.7	—0.15	135.30
June	131.20-31.4	—0.35	131.80-31.00
August	131.40-31.6	—0.35	131.90-31.50
October	132.50-32.8	—0.50	132.70-32.60
Dec	134.80-35.3	—0.35	135.30
Feb	136.00-37.5	—1.00	—
April	136.50-39.5	+0.25	—

Sales: 139 (112) lots of 10 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £148.00 (£150.00) a tonne cif March-April-May shipment. White sugar daily price £166.00 (same).

Prices eased some £2.00 during the morning but all the losses were recovered by the close, reports C. Czarnikow.

Tate and Lyle delivery price for granulated basis white sugar was £374.00 (same) a tonne fob for home trade and £256.50 (£259.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for March 25. Daily price 10.88 (11.16); 15-day average 11.18 (11.24).

No. 4 Con-tract	Yesterday close	Previous close	Business done
	£ per tonne		
May	155.50-55.75	158.00-58.20	157.00-55.75
Aug	158.80-59.00	158.50-58.60	160.25-57.00
Oct	163.80-64.00	164.00-64.50	166.00-65.20
Jan	167.80-67.75	167.00-68.00	168.00
March	172.25-75.00	173.00-74.00	174.25-74.25
May	175.00-75.75	176.50-77.00	—
Aug	168.00-79.00	179.50-79.75	—

Sales: 2,452 (4,610) lots of 50 tonnes.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. March 370, 385, nil; May 381, 385, 388-381; Aug 402, 404, 401-403; Oct 405, 407, 406.5-404; Dec 404, 407, 405-402; Jan 406, 408, 406-405; March 416, 420, 416-425; May 427, 430, 427-425; Aug 438, 441, 440-437. Sales: 82.

AMERICAN MARKETS

NEW YORK, March 26.

THE PRECIOUS METALS and copper declined on continued fears of Russian selling and higher interest rates. Sugar fell on reports of Dominican selling. Cocoa remained under pressure from the threat of Nigerian sales. The livestock complex was sharply higher on expectations of reduced kills. The grain and soyabean complex was mixed, with soyabeans lower on an unchanged Brazilian estimate. Heating oil continued to advance on expectations of an emergency OPEC meeting, reported Heinold.

Copper—March 66.40 (67.30), April 66.45 (67.50), May 67.30-67.50, July 69.10-69.35, Sept 70.95, Dec 73.35-73.50, Jan 74.25, March 75.85, May 77.45, July 79.05, Sept 80.65, Dec 83.10, Jan 83.85.

*Gold—March 322.1 (326.4), April 321.5-322.5 (326.7), May 325.7, June 328.0-329.5, Aug 335.5-337.3, Oct 343.0, Dec 351.0-352.5, Feb 361.0, April 369.1, June 377.9, Aug 386.7, Oct 395.6, Dec 405.5.

*Platinum—March 304.0-306.0 (314.3), April 307.0-308.0 (312.5), July 314.5-315.5, Oct 325.0, Jan 335.3, April 348.0. Sales: 2,174.

Potatoes (round whites)—April 76.5 (77.0), Nov 77.6-77.7 (76.9), March 88.4-88.5. Sales: 284.

¶Silver—March 703.5 (707.5), April 704.0 (709.0), May 712.0-714.0, July 729.0-731.0, Sept 748.6, Dec 776.0-777.0, Jan 783.6, March 807.0, May 818.8, July 836.3, Sept 853.8, Dec 879.0, Jan 887.8. Handy and Harman bullion spot: 706.50 (same).

Sugar—No. 11: May 10.88-10.97 (11.15), July 11.16-11.17 (11.44), Sept 11.44-11.45, Oct 11.63-11.64, Jan 11.80-11.89, March 12.53-12.54, May 12.75, July 12.90-12.92.

Tin—586.00-595.00 (599.00-602.00).

CHICAGO, March 26.

Lard—Chicago loose 29.50 (same).

Live Cattle—April 68.35-68.40 (67.62), June 66.50-66.40 (65.37), Aug 63.50-63.65, Oct 62.15-61.80, Dec 62.27-62.30, Feb 61.85-61.75, April 62.10.

Live Hogs—April 51.55-51.77 (51.00), June 56.05-56.12 (55.12), July 56.95-57.05, Aug 56.12, Oct 54.50-54.65, Dec 54.90-54.97, Feb 53.00, June 49.50.

‡‡Maize—May 271¾-272¼ (271½), July 281¼-281 (280¾), Sept 285-285½, Dec 290½-290¾, March 304½-304¾, May 312½-312¾.

Pork Bellies—May 77.25-77.37 (75.42), July 77.00-77.15 (75.42), Aug 74.70-75.00, Feb 72.05, March 72.60, May 72.95, July 74.35.

†Soyabeans—May 631-631½ (636½), July 637¾-637¼ (641¼), Aug 641-640½, Sept 641, Nov 646-645½, Jan 658½, March 673½.

||Soyabean Meal—May 183.5-183.7 (184.8), July 185.7-185.9 (186.9), Aug 187.0-187.5, Sept 188.5, Oct 183.0, Dec 182.0, Jan 183.5.

Soyabean Oil—May 18.78-18.76 (18.97), July 19.28-19.27 (18.45), Aug 19.44, Sept 19.60, Oct 19.75, Dec 20.00, Jan 20.12-20.15, March 20.45-20.55.

†Wheat—May 360½-361 (366¾), July 368-368¾ (372½), Sept 381¼, Dec 399, March 413, May 419.

WINNIPEG, March 26.

§Barley—March 121.20 (120.70), May 122.90-123.00 (122.80), July 124.30, Oct
§Wheat—SCWRS 13.5 per cent pro-
125.60, Dec 126.00.
tein content cif St. Lawrence 222.34 (same).

Thursday's closing prices

NEW YORK, March 25.

††Cocoa—May 1709 (1705), July 1751 (1749), Sept 1803, Dec 1850, March 1900. Sales: 2,085.

Coffee—"C" Contract: May 125.75-126.00 (129.31), July 121.50-121.52 (125.47), Sept 119.50-120.00, Dec 116.50-117.00, March 115.00-115.01, May 113.00-115.00, July 112.00-116.00. Sales: 4,085.

Cotton—No 2: May 65.75-65.80 (66.15), July 67.75-67.77 (68.23), Oct 70.35, Dec 71.45, March 73.10-73.20, May 74.30-74.60, July 75.30-75.80. Sales: 4,100.

Orange Juice—May 113.30-113.40 (114.85), July 116.60 (117.55), Sept 119.10, Nov 120.65-120.75, Jan 123.00-123.05, March 125.00, May 127.00-127.25, July 128.65-129.00. Sales: 750.

CHICAGO, March 25.

Chicago Imm Gold—June 333.3-333.7 (341.5), Sept 344.2 (353.0), Dec 356.4, March 368.3, June 380.6, Sept 393.2.

INDICES

FINANCIAL TIMES

Mar. 25	Mar. 24	Month ago	Year ago
244.65	246.34	241.74	259.94

(Base: July 1, 1952=100).

MOODY'S

Mar. 25	Mar. 24	Month ago	Year ago
994.3	999.2	999.4	1147.2

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 25	Mar. 24	Month ago	Year ago
Spot	124.45	125.45	126.87	—
Futr's	126.38	130.01	135.14	—

(Base: Dec 31 1974=100)

REUTERS

Mar. 26	Mar. 25	M'nth ago	Year ago
1590.5	1593.4	1606.0	1702.4

(Base: September 18, 1931=100)

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 527.0, 529.0, 529.0-527.5; July 526.5, 527.0, 528.0-527.0; Oct 518.5, 517.0, 518.0-517.0; Dec 521.0, 522.0, 522.0-521.0; Mar 525.0, 526.0, 529.0-527.0; May 531.0, 533.0, untraded; July 540.0, 541.0, 543.0-541.0. Sales: 148.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 61 tonnes. Subdued offtake did not bring many operations. Support was forthcoming in certain specialist styles notably in the Middle Eastern range.

POTATOES

LONDON POTATO FUTURES—The market traded in a narrow range after opening lower. November and February continued to fall, reports Coley and Harper. Closing prices: April 131.20, −0.60 (high 131.30, low 129.80); Nov 65.80, −1.10 (high 66.80, low 65.60). Feb 76.20, −1.30 (high 77.00, low 76.10). Turnover: 571 (626) lots of 40 tonnes.

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. ◊ Bargains done previous day. $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BANKS, DISCOUNT (832)

BREWERIES (537)

COMMERCIAL (10,837)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS (442)

INSURANCE (541)

INVESTMENT TRUSTS (712)

PROPERTY (587)

UNIT TRUSTS (23)

MINES—Miscellaneous (536)

PLANTATIONS (38)

RAILWAYS (12)

SHIPPING (159)

UTILITIES (13)

MINES—South African (238)

UNLISTED SECURITIES MARKET

OIL (1,186)

East Coast Minerals 3 (23/3)
Eastman Kodak £40¾
Emerson Electric £26½ (23/3)
Endeavour Resources 15 ⅞ ½ 16 ½
Energy Res. of Aust. 76
Engelhard Corp. £11
Eurocan Ventures 26½
Exxon Corp. £18¼
Fairchild Inds. 875 (24/3)
Falmouth Pets. 70 (23/3)
Flair Res. 122½ 7½ 30 4½
Forsyth Oil and Gas 11¼ ¾
Fuji Photo Film 297
Gearhart Inds. £10.32

Oilmin 36 (24/3)
Oil Search 8¼ ½ ¾ 8 ¼ ½ ¾
Oriental Pets. and Minerals ¾ (16/3)
Otter Expln. 37½
Overseas Chinese Banking 282 0 (23/3)
Overseas Tst. Bank 47
Pacific Copper 62 37 8 ¾ 8 2
Palabora Mining 375
Pall Corp. £14⅛ (18/3)
Palliser Res. 90½ 5 8 101½
Pan D'Or 9 (23/3)
Pan Pacific 7¼ ½ (24/3)
Pancontinental Mining 104 5 8 7½ 9 9½
Pancontinental Petroleum 15 (24/3)

Pancontinental Petroleum Dptns. 0½ 11 (24/3)
Peko-Wallsend 280 2 3½ 9½
Pelsart 10 10 20
Penn Central £14⅛
Poaney (J. C.) £18⅛ (22/3)
Perkin-Elmer £1 1.24 (23/3)
Perkin-Elmer 35½
Petrofina SA £47
Phelps Dodge US$24¼ £13.07
Phillips Morris Inc. £26⅝
Phillips Pets. £18
Pilgrim Pet. 15
Pioneer Concrete 75 6 7 80
Pittston £10.02½ (24/3)
Placer Development $9¾ (24/3)
Poseidon 88 90 1 1½ 2 3 5
Power Corp. of Canada 310
Prime Computer £11.12
Project Oil Exp. 26 (24/3)
Queen Margaret Mines 9
Raytheon £18.40
Rembrandt Group 370 3 (22/3)
Repco 77 (24/3)
Resource Service 145 (23/3)
Rowan 388 90
Royex Sturgex Mining 120½ 3 40
S and K Petroleum 70 2
S.DL 121 2 5¾ 7
Sabina 13
Samantha Expln. 10 11 ¼
Santos 260 4 7
Sceptre Resources 260 1½ 5 ½ 70¾ 80
Sea View Hotel 117
Selangor Props. 123 8
Selincourt A 35 8 30
Selincourt 2 54 (22/3)
Shackleton Pet. 11 ¾ 14
Sharp Con. 150 3 8½
Shell Canada A 736½ (24/3)
Shell Oil £19.81
Sidney Development 100 (24/3)
Singapore Land 173½
Southern Pacific Pets. 13 ½ 18 ½ 17 18
Spargo 10½ 11 12 13 ⅞ ½
Standard Oil of Indiana £20 ¾ ½ 21.33 21.35 21½ 2 ¼
Standard Oil of Ohio £18.40 18½ ¾ 18.40 18.83
Sterling Pets. 4½
Straits Trading 220 (24/3)
Strata Oil 28 9½ 30
Strata Oil Options 8 9¾
Sturts Meadow Prospecting 23
Sumitomo Metal 40⅛
Superior Oil £14 14.65 14¾
Sun Hung Kai Props. 56 8 (23/3)
Sunmask Pet. 185 (24/3)
Super Vala Stores 800 (22/3)
Swan Resources 23¼ 7
Swire Pacific A 93 ¾ 4 3½ ½ 3 ⅞ ½ 5½
Swire Pacific B 17 (23/3)
Swire Props. 35½ 8 ½ 7½ ¼ ⅞ 8
Tai Cheung Props. 19½ 20 ¼
Tara Exp. 30 (24/3)
Target Pet. 12½ 13
Tech Corp. R 76⅝ 5 7
Texas Gulf £14.80
Timor Oil 3½
Trafalgar Housing 21¼ (18/3)
Tri-Continental £75½
Unidev 175.60 (19/3)
Unilever NV (Fl 20) £32.20
Union Pacific Corp. £20
Union Oil of California £17 17.40
Utd. Overseas Bank 703
Utd. Overseas Land 68 71
Utd. Plantations Berhad 138
Valiant Consd. 90 7 81½
Vam 8
Vernitron 556 (24/3)
Victor 400½ 1 ½
Vulcan Mins. 40 (23/3)
Warrior Res. 35 9 47 5
Waste Management £18 30 17⅛ (24/3)
West Coast Hldgs. 3½ (24/3)
Western Resources 15 3-84ths (19/3)
Westfield Mins. 420 2
Westinghouse Elec. £13 04
Wheelock Marden A 53½ 4
Wheelock Marden B 3 (24/3)
Wheelock Maritime B 3½ (22/3)
Whim Creek Cons. 20
Woodside Pets. 44 7 ½ ¾ 8
Woolworth (F. W.) of America 878 07½
Woolworths Hldgs. 205 300 (24/3)
Do. Class A 270 (24/3)
World Int 26
Yaskawa Electric 120
York Resources 18½ 18 20 1

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

All England Lawn Tennis Gnd. £50 Dbs 1981-85 £8 150 225 300 (24/3)
Ann Street Brewery 295 300
Aston Villa FA (1 vote) £10 (23/3)
B.E.T. Omnibus Services 157 60
Baker Electronics 27 8 (22/3)
Berkeley and Hay Hill Inv. 7⅛
British Uralite 2¾ ½

Barrough (James) 114 (22/3)
Cannon Street Inv. 9
Carrington Inv. 8pcCam.Pf. 45¼
Castleton Brewery 280 5
Castletown Brewery 4½pcCom Pf. 34 (24/3)
Castletown Brewery 3½pc1stMtg.Db. £26pc (24/3)
C.I.C. Inv. 5⅛
Clavhithe £38 (24/3)
Comcl. Bank of Wales 98 100 1 2 5 6 (24/3)
Comcl. and Ind. Secs. 250
Conister Tst. 111
Dawson (Wm.) 102 ⅞
Deborah Services 90½ (24/3)
Deltoil Inds. 18 ⅛ (23/3)
Dollar Land 28 (23/3)
Eastbourne Wtrwks. 2.8pclr.Pf. 38½ 40 (24/3)
Ecclesiastical Ins. Office 2.8pc1stCum.Pf. 23½ 3½ (18/3)
Exchem 60 ¾ (22/3)
First Castle Electronics 12pcCam.Uns.Ln. 1985-87 £80pc 1pc
Granger Tst. £10.05 (23/3)
Grendon Tst. £4Dpc ½pc (23/3)
GRA Prop. Tst. 18 ⅛ ½
Guernsey Gas Light 415 (24/3)
Guernsey Press 200
Guernsey Press 3pcPf. 33 (24/3)
Hamilton Lord 280
Instant Starter Eng. 1½ 2½ (24/3)
Island Garages 20 (24/3)
Javelin Equity Tst. 160 4 (24/3)
Jenkin and Purser 3½ (24/3)
Jennings Bros. 132½
Jersey Gas 115 (22/3)
Jessel Tst. 8 ½ 10
Kaye Organisation 3.725pcCum.Red.Pf. 84¼ 5
Kaye Organisation 0.75pcUns.Ln. 1988-81 £74 ½pc 3pc
Kent County Crematorium 123 30 (24/3)
Key City Props. 48½ 7 (24/3)
L.E.T. Hldgs. 183 7
Le Riches Stores 235 7 (23/3)
Lilleguard Ass. 290 300 (23/3)
Liverpool F.C. £225 6 8 30 (23/3)
Mainline Elect. 2 3 (23/3)
Manchester Utd. FC 170 00
More OFerrall 4.55pc1stCum.Pf. 30 2½ (22/3)
NMW Computers 170 ½ (23/3)
Norton Villiers Triumph ½ 1
Oldham Ests. 131 2
Ouvah Highfields 50¼
Pan Atlas 6½ (23/3)
PMPA Insce 41¼ 3½ (23/3)
Pontlow Hldgs. 62 4 (23/3)
Rangers FC £17
Roraco 3 ⅛
Roche Plant 18 ¼
Rowe Evans Inv. 32¾ 3
Shepard Neame 490 500 (19/3)
Sheraton Sec. Intnl. 11¼ 2 ¼ 3 (23/3)
Southern Newspapers 155 8½ 60
SPO Minerals 10 ¼ 1 2 3
Spencer (I.) (Aberdeen) 55 (22/3)
Star Offshore Services 44
3M UK 4.3pcPf 37 ½ (18/3)
Tom Hill 6 ½ (23/3)
Trust Securities Hldgs. 350 1 (19/3)
Twinlock £72pc 5pc
Villiers Hotel 8pcBCum.Pf. 22
Villiers Hotel 7pcCam.Red.Pf. 52
Weetabix A (non-vtg.) 78 80
Welsh Inds. Inv. Tst. Pfd. 78 92
West Hartlepool Steam Navigation 5½pc Cum.Pf 300 40
Wolverhampton Wanderers FC £85 70 (23/3)
Wynstay Props. 101 3 (24/3)
Yelverton Invs. 31 3

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

American Oilfield Systems 112
Aran Energy (I£0.20) 17 ⅞ 8 ½ ⅞ 9 ½ 20
Atlantic Resources (I£0.25) 156½ 60¼ 2
Berkeley Exploration and Product. 247 50 4 ½
Caledonian Offshore 85 100
Do. 4pcCov.Un.Ln. 2000 (£5pc Pd.) £1pc ½pc
Cambridge Petroleum Royalties 215
Candecca Resources 152 3 4½ 5 6 8 60 2 3 3 8 7 8 9 ½ 70
Egiinton Oil and Gas 45¾ 52 ⅛ 5½
Energy Sources (N.I.) 1 10
Kenmare Oil Expn. (I£0.25) 10
Marinea Petroleum 63 5 7 0
Moray Firth Exploration 47 50
Osprey Petroleum 58
Steaua Romana (British) 33 ¼ 8 9 43
Sun Oil Co (UK) Oil Royalty Stock Units (1o) 138 50 8 80 5
Celtic Basin Oil Exploration 200

(By permission of the Stock Exchange Council)

MONEY MARKETS

London clearing bank base lending rate 13 per cent (since March 12)

Day to day credit was in short supply in the London money market yesterday. The Bank of England gave an early forecast of a shortage of £300m with bills maturing in official hands and a net take up of Treasury bills accounting for £321m and the unwinding of previous sale and repurchase agreements another £218m. In addition the note circulation rose by £145m but this was offset by net Exchequer transactions of +£300m.

The forecast was later revised to £350m and the Bank gave assistance by buying £424m of bills comprising £40m of eligible bank bills in band 1 (up to 14 days) at 13⅛ per cent and in band 2 (15-33 days) £1m of local authority bills and £139m of eligible bank bills all at 13 per cent. In band 3 (34-63 days) it bought £113m of eligible bank bills at 12⅞ per cent and in band 4 (64-91 days) £30m of Treasury bills and £101m of local authority bills at 12⅞ per cent. The forecast was again revised to £450m shortage before taking into account the morning's operations and the Bank gave additional help of £80m.

EXCHANGES AND BULLION

The dollar was generally firmer in currency markets yesterday ahead of the weekend. Several factors played a part in the dollar's continued rise. There was some demand ahead of the month and quarter end and Euro-dollar rates were slightly firmer. The market was also anxious ahead of U.S. money supply figures which were expected to show a further rise. Against the D-mark it rose to DM 2.3945 from DM 2.3915, having failed to maintain a level above DM 2.40 touched earlier in the day. It closed at SwFr 1.9125 against the Swiss franc from SwFr 1.9030 and Y247 from Y245. On Bank of England figures the dollar's index rose from 115.2 to 115.7.

Sterling suffered a follow on from Thursday's selling in the U.S. and may have attracted a smoothing hand from the authorities at lower levels. However demand picked up later in the day and it finished at its best level although still down from Thursday. Its trade weighted index slipped to 90.9 from 91.4, having stood at 90.9 at noon and 91.0 at the opening.

Gold fell $4 an ounce to close at $322¾-323¾.

GOLD

	Mar. 26		Mar. 25	
Gold Bullion (fine ounce)				
Close	$322¾-323¾	(£180-181¼)	$326½-327½	(£181¼-181¾)
Opening	$381½-382½	(£180-180½)	$332-333	(£183¾-184¼)
Morning fixing	$322.75	(£180.561)	$328	(£181.667)
Afternoon fixing	$323.25	(£180.108)	$327.75	(£181.710)
Gold Coins				
Krugerrand	$333-333¾	(£186-186½)	$336-336¾	(£186¾-187¼)
1/2 Krugerrand	$171½-172½	(£83¾-90¼)	$173-174	(£96¼-86¾)
1/4 Krugerrand	$87-88	(£48½-48¾)	$88-88	(£49-49½)
1/10 Krugerrand	$35½-36½	(£18¾-20¼)	$36-37	(£20-20½)
Mapleleaf	$334-335	(£186½-187)	$337-339	(£187¼-187¾)
New Sovereigns	$79-78½	(£44-44½)	$78¾-80¼	(£44¼-44¾)
King Sovereigns	$96-97	(£53¾-54¼)	$97-98	(£53¾-54¼)
Victoria Sovs.	$96-97	(£53¾-54¼)	$97-98	(£53¾-54¼)
French 20s	$78½-88½	(£43¾-49½)	$79-88	(£44-48½)
50 pesos Mexico	$399-408	(£223¾-224½)	$403-405½	(£234-225½)
100 Cor. Austria	$315½-316	(£175-176½)	$316½-319	(£176-177¼)
$20 Eagles	$447-452	(£249½-232½)	$448-454	(£248½-252¼)

THE POUND SPOT AND FORWARD

March 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7810-1.7920	1.7900-1.7910	0.20-0.30c dis	−1.67	0.80-0.90dis	−1.90
Canada	2.1880-2.1980	2.1970-2.1980	0.50-0.60c dis	−3.00	1.70-1.80dis	−3.18
Nethlnd.	4.72-4.76	4.74-4.75	2⅛-1⅞c pm	5.37	6¾-5⅝ pm	4.96
Belgium	80.60-87.10	80.85-80.95	5-20c dis	−1.86	56-75 dis	−3.21
Denmark	14.56-14.64	14.63-14.64	2-3ore dis	−2.05	7¾-9¼ dis	−2.32
Ireland	1.2315-1.2390	1.2365-1.2380	0.61-0.74p dis	−0.56	1.86-2.03dis	−8.29
W. Ger.	4.27-4.30	4.28-4.29	1⅝-1⅜pf pm	4.55	4⅝-4⅜ pm	4.08
Portugal	125.75-127.25	126.80-127.10	85-235c dis	−15.12	240-590dis	−13.08
Spain	188.80-189.70	189.35-189.55	55-85c dis	−4.43	190-225 dis	−4.38
Italy	2,344-2,361	2,354½-2,356½	24-30 lire dis	−13.75	64½-72½dis	−11.63
Norway	10.85-10.90	10.88-10.89	1⅝-2⅞ore dis	−2.41	5⅞-6⅞ dis	−2.07
France	11.16-11.22	11.18-11.19	20½-24½ dis	−24.14	31-36 dis	−11.98
Sweden	10.52-10.57	10.56-10.57	1-⅛ore pm	0.78	2⅛-1½ pm	0.73
Japan	439-444	441½-442½	2.60-2.30y pm	8.65	7.45-7.15 pm	8.81
Austria	29.95-30.20	30.10-30.15	14-11gro pm	4.98	35-29 pm	4.25
Switz.	3.40-3.43	3.41¼-3.42¼	2⅞-2⅝c pm	8.33	6⅞-6⅝ pm	7.45

Belgian rate is for convertible francs. Financial franc 91.50-91.60. Six-month forward dollar 1.62-1.72c dis, 12-month 2.70-2.85c dis.

EXCHANGE CROSS RATES

Mar. 26	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.791	4.285	443.0	11.185	3.423	4.745	2356.	2.198	80.90
U.S. Dollar	0.559	1.	2.393	248.2	6.247	1.911	2.650	1316.	1.227	45.18
Deutschemark	6.233	0.418	1.	103.8	2.016	6.799	1.107	549.7	0.513	18.88
Japanese Yen 1,000	2.262	4.051	9.695	1000.	23.31	7.743	10.74	5328.	4.972	183.6
French Franc 10	0.894	1.601	3.831	395.8	10.	3.060	4.243	2106.	1.965	72.33
Swiss Franc	0.292	0.523	1.252	128.1	3.268	1.	1.386	688.2	0.642	23.64
Dutch Guilder	0.211	0.377	0.903	93.10	2.357	0.721	1.	496.4	0.463	17.05
Italian Lira 1,000	0.425	0.760	1.819	187.6	4.748	1.453	2.014	1000.	0.933	34.33
Canadian Dollar	0.455	0.816	1.950	201.1	5.086	1.557	2.159	1072.	1.	36.81
Belgian Franc 100	1.236	2.213	5.297	546.4	13.83	4.231	5.865	2918.	2.716	100.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Mar. 26	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	13½-13¾	14⅛-14¾	16-17	6½-7	1-1½	8⅛-8⅜	18-66	18-24	8½-11½	7⅜-7⅝
7 days' notice	13⅝-13⅞	14⅛-14⅜	16-17	3½-0½	7-7½	8⅛-8¼	35-50	65-36	13-10	7¾-7⅞
Month	13⅛-13⅞	14⅛ 13⅛	16⅝-16¾	7⅞-8	6¼-5⅞	8⅛-9¼	37-40	66¼-28¼	15-17	6⅞-7
Three months	13⅝-13⅞	15⅛-13⅝	16½-16⅝	8⅜-8½	5¾-5½	6½-6¼	84-27	24¾-20¼	16¼-17¼	6⅞-6⅞
Six months	13⅝-13¾	13½-10½	16½-16⅝	8⅛-8⅞	6⅞-8⅝	8⅜-8⅝	81-24	23⅝-24⅝	16¼-17¼	6⅞-6⅞
One Year	13⅝-13¾	16-15¼	16⅝-17	8⅜-8⅛	6½-6⅝	8⅛-8¼	20-83	65⅛-84¼	13½-16½	6⅞-6⅞

SFr (financial): short-term 10-11 per cent; seven days' notice 12½-13 per cent; one month 13½-13¾ per cent; three months 14½-14¾ per cent; six months 14⅛-14⅞ per cent; one year 14⅝-14⅞ per cent.

SDR linked deposits: one month 15⅛-15⅛ per cent; three months 14⅛-14⅜ per cent; six months 13⅞-14⅛ per cent; one year 13⅜-13⅝ per cent.

ECU linked deposits: one month 18-18⅝ per cent; three months 15⅜-15⅝ per cent; six months 14⅛-14⅛ per cent; one year 13⅞-14 per cent.

Asian $ (closing rates in Singapore): one month 14⅞-15 per cent; three months 15⅛-15⅜ per cent; six months 15⅛-15⅛ per cent; one year 15¼-15⅞ per cent. Long-term Eurodollar two years 15⅜-15⅝ per cent; three years 15¼-15½ per cent; four years 16¼-15½ per cent; five years 15⅝-15⅝ per cent nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.

The following rates were quoted for London dollar certificates of deposit: one month 14.65-14.75 per cent; three months 14.80-14.90 per cent; six months 14.90-15.00 per cent; one year 14.75-14.95 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 26)

3 months U.S. Dollars		6 months U.S. dollars	
bid 16 3/8	offer 16 1/2	bid 16 3/8	offer 16 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Mar. 26 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-13¾	13¼-13¾	—	—	13¼-13⅛	10-13⅝	—	—	—
2 days notice	—	—	13¾-13⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	13⅞-14	13-13¼	—	—	—
7 days notice	—	13¼ 13⅛	13⅞	—	—	—	—	—	—	—
One month	13⅞-13⅞	13⅞-13⅛	13⅞	14⅜-14	13⅞	14-14⅛	13	13⅞	13⅛	13⅞
Two months	13¾ 13⅝	13⅝-13⅞	—	14¼-13⅛	13⅛	14	13¾	13⅞	13⅞-13⅞	13⅞
Three months	13⅞-13⅞	13⅝-13⅞	13⅝	14½-13¾	13⅞	13⅛	13⅝-12⅛	12⅞-12⅞	12⅞-12⅞	13⅜
Six months	13½ 13⅝	13⅝-13¾	13⅞	13¼-13	13⅞	—	—	—	12⅞-16⅝	13
Nine months	13½-13⅝	13⅝-13¾	—	13¾-13⅝	13⅞	—	—	—	—	—
One year	13½-13⅝	13⅝-13¾	13⅞	13⅜-13⅝	13⅞	—	—	—	—	—
Two years	—	—	13⅝	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice others seven days fixed. Long-term local authority mortgage rates nominally three years 13¾ per cent; four years 14 per cent; five years 14 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12⅞ per cent; four months trade bills 13⅜ per cent.

Approximate selling rates for one month Treasury bills 12⅞-13 per cent; two months 12⅞-12⅞ per cent; three months 12⅞-12⅞ per cent. Approximate selling rate for one month bank bills 13⅛ per cent; two months 12⅞-12⅞ per cent and three months 12½-12⅞ per cent; one month trade bills 13⅜ per cent; two months 13⅛ per cent; three months 13⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15 per cent from March 1 1982. Clearing Bank Deposit Rates for sums at seven days' notice 10-10⅛ per cent. Clearing Bank Rates for lending 13 per cent. Treasury Bills: Average tender rates of discount 12.3132 per cent.

Certificates of Tax Deposits (Series 5) 13½ per cent from March 8. Deposits withdrawn for cash 11 per cent.

CURRENCY MOVEMENTS

Mar. 26	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.8	−32.8
U.S. dollar	110.7	+7.0
Canadian dollar	88.3	−18.1
Austrian schilling	117.1	+25.1
Belgian franc	93.0	−1.0
Danish kroner	83.0	−13.9
Deutsche mark	123.6	+46.7
Swiss franc	154.3	+167.6
Guilder	114.6	+81.4
French franc	78.6	−16.4
Lira	54.2	−58.2
Yen	133.7	+97.8

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 26	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.6963	45.1856	+1.16	+1.12	±1.5440
Danish Kroner	8.18382	8.15864	−0.37	−0.17	±1.6457
German D-Mark	2.41815	2.39486	−0.96	−0.96	±1.0837
French Franc	6.19564	6.28078	+1.38	+1.35	±1.3743
Dutch Guilder	2.67296	2.65142	−0.81	−0.81	±1.5069
Irish Punt	0.686799	0.691253	+0.63	+0.63	±1.6689
Italian Lira	1305.13	1315.47	+0.79	+0.79	±4.1242

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for March 26 ... 0.559254

OTHER CURRENCIES

Mar. 26	£	$		£ Note Rates
Argentina Peso	[illegible]	[illegible]	Austria	[illegible]
Australia Dollar	[illegible]	[illegible]	Belgium	[illegible]
Brazil Cruzeiro	[illegible]	[illegible]	Denmark	[illegible]
Finland Markka	[illegible]	[illegible]	France	[illegible]
Greek Drachma	[illegible]	[illegible]	Germany	[illegible]
Hong Kong Dollar	[illegible]	[illegible]	Italy	[illegible]
Iran Rial	[illegible]	[illegible]	Japan	[illegible]
Kuwait Dinar (KD)	[illegible]	[illegible]	Netherlands	[illegible]
Luxembourg Fr.	[illegible]	[illegible]	Norway	[illegible]
Malaysia Dollar	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dlr.	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden	[illegible]
Singapore Dollar	[illegible]	[illegible]	Switzerland	[illegible]
Sth. African Rand	[illegible]	[illegible]	United States	[illegible]
U.A.E. Dirham	[illegible]	[illegible]	Yugoslavia	[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

LONDON STOCK EXCHANGE

Markets drift lower on continued lack of interest

Uncertainty about U.S. influences undermines Gilts

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Mar 15	Mar 25	Mar 26	Apr 5
Mar 29	Apr 15	Apr 16	Apr 26
Apr 19	Apr 28	Apr 29	May 10

* "New time" dealings may take place from 9.30 am two business days earlier.

The recent downturn in stock markets was extended yesterday as potential buyers continued to hold back. The easier tone in gilt-edged was resumed following the Bank of England's warning about the dangers for the economic recovery if interest rates were forced higher by U.S. policies.

Gilts had opened a shade above Thursday's list prices, but the Bank's pessimism and yesterday's turn for the worse in sterling undermined sentiment and quotations were soon on the downtack.

Actual selling was light, however, and prices held relatively steady at the lower levels. At the close, falls were usually limited to ¼ and occasionally more. The Government Securities index, at 68.91, came back 0.22 for a three-day fall of 0.86 from last Tuesday's 11-month high.

Low-coupon stocks were generally harder and index-linked issues held steady, although the 1988 £50-paid, at 49¼, gave up Thursday's rise of ¼.

Leading equities opened barely steady with dealers not looking for any increase in activity at the end of a disappointing trading Account. Prices continued to drift lower on lack of incentive and in the absence of a firm lead from Gilts. The tone turned weaker on the afternoon announcement of further rationalisation at Metal Box, but prices picked up towards the close on technical considerations.

Down 4.7 at the day's lowest at 3 pm, the FT 30-share index ended a net 2.2 off at 557.7 for a loss of 5 points on the week and one of 9.2 on the account. New-time interest for the three-week Account starting on Monday was virtually non-existent.

Manson Finance weak

Manson Finance Trust turned weak among merchant banks, falling 9 to 63p following the announcement about problems within its leasing division which accompanied the interim figures. Increased taxation fears continued to deter interest in the major clearers. NatWest lost 6 more, making a decline on the week of 18 to 422p.

Movements of note in the drinks sector were few and far between, although renewed interest was shown for cider makers H. P. Bulmer, 4 dearer at a 1981/82 peak of 374p. Merrydown Wine added a penny to 65p in sympathy. Elsewhere, a closer appraisal of the interim results lifted Amalgamated Distilled Products a couple of pence to 81p.

Leading Buildings ended the Account on a dull note. Fairclough, a good market recently on the preliminary results, relinquished 6 to 158p but retained a gain on the week of 10. Adverse Press comment clipped a penny from Brown and Jackson, 17p, but demand ahead of next Thursday's preliminary results lifted John Finlan 6 to 150p.

Down 4 on Thursday following gloomy industry projections and an analysts' meeting, ICI remained friendless and shed another 8 to 312p. Among other Chemicals, Novo Industries B were briskly traded in the wake of sterling's weakness and closed 3½ points up at £107.

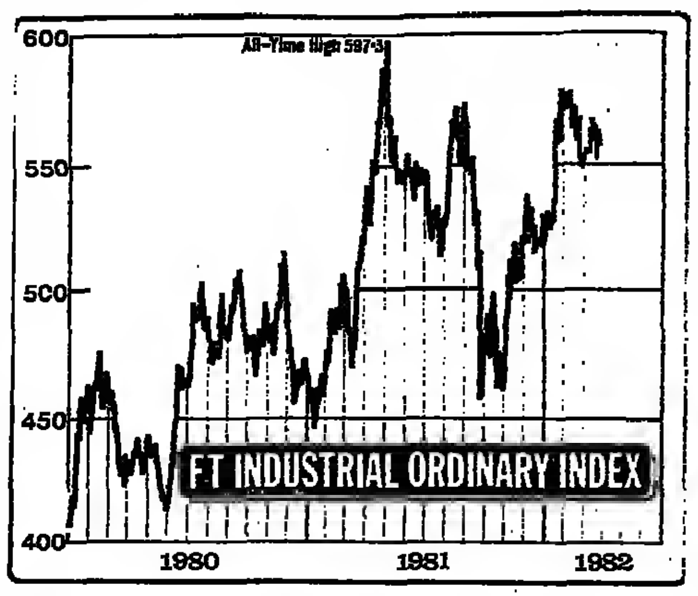
Stores quietly dull

Leading Stores finished a disappointing trading Account on an exceptionally quiet note and most were content to drift a couple of pence easier. Against the trend, Burton added a penny for a gain of 16 to 175p since Tuesday's better-than-expected first-half figures. Continued speculative demand lifted Goodman Bros. a penny more to 18p, while Press mention aided George Oliver A. 5 up at 160p. In contrast, Executex Clothes remained under pressure and shed 3 more to 7p.

Shoes trended firmer. A more detailed appraisal of the mid-term statement lifted Strong and Fisher 2 to 60p, while Footwear Industry added a like amount to 76p after Press comment, as did Lambert Howarth, 59p: the last-mentioned announces annual results next Tuesday.

Quietly dull conditions prevailed among leading Electricals, but closing levels were a few pence above the day's lowest. Renewed profit-taking in the wake of the impressive results left BICC down 7 more at 318p, after 315p, while Racal lost 5 to 373p as did GEC to 813p, and Thorn EMI, to 420p. Elsewhere Automated Security advanced 13 to 205p after comment on the results and Cambridge added 6 at 130p for a similar reason. Still reflecting the success of the recent £1.89m rights issue, Security Centres firmed 6 afresh to 161p, while Unitech rallied from recent weakness to finish a net 18 higher at 238p. Falls of 5 and 7 respectively were seen in Electronic Machine, 30p, and Enrotherm, 383p.

New-time buying ahead of the preliminary results, scheduled for next Wednesday, helped Weir to feature Engineerings with a rise of 6 to 62p. Newman-Tonks touched 74p before closing a net couple of pence dearer at 73p on the increased half-year profits, while G. M. Firth, which this week acquired a 13.2 per cent shareholding in Howard Tenens, rose 6 to 206p. Stothert and Pitt, a nervous market of late ahead of the statement, held at 56p despite the poor interim figures.



Among Foods, Unigate became a dull counter on talk that brokers had downgraded their profits estimates and the shares fell to 90p before closing a net 4 down at 92p. Other leading issues held close to overnight levels, but selected secondary issues made progress. William Low put on 9 to 202p on revived speculative interest, while Associated Fisheries added 5 to 73p. Somportex, however, shed 10 to 98p following the company's gloomy statement on current trading.

Metal Box fall

A gloomy profits forecast together with details of the proposed factory closures depressed Metal Box, which fell 14 to 160p. Other miscellaneous industrial leaders generally moved in a similar direction but falls were modest. Unilever gave up 6 to 610p, Glaxo 4 to 514p, and Beecham 3 to 229p. Secondary issues were featured by a further rise of 7 in Inter-City Investment, making a two-day jump of 18 to 63p, on hopes that the mystery investment concern, Metan Investment Establishment of Liechtenstein, will launch a full-scale bid. Sangers revived with a speculative improvement of 6 at 54p, while fine-art dealers and auctioneers Christies International and Sothebys both rallied further after recent weakness, the former rising 8 to 144p and the latter 30 to 355p. Cope Allman hardened a fraction to 42½p following the interim comment, but Scotcros fell 8 to 90p following adverse comment. British Aerospace eased 4 to 170p ahead of next Tuesday's annual figures, while Booker McConnell, with figures due the same day, softened a penny to 66p. Grovebell touched 6p on the proposed £0.7m rights issue before closing unaltered at 6½p. In the wake of the Irish Budget, Fitzwilton shed 2½ to 25p.

Saga Holidays shed 6 for a two-day fall of 11 to 150p, the chairman's cautious statement outweighing satisfactory interim profits. Recently firm Horizon Travel, preliminary results due next Monday, closed 5 cheaper at 392p, after 387p. Elsewhere in the Leisure sector, Samuelson Film Service attracted support and put on 8 to 135p, but Glasgow Pavilion encountered selling in an unwilling market and shed 6 to 32p. Leisure Industries, which staged a successful debut in the Unlisted Securities Market on Tuesday, added 3 to 134p compared with the placing price of 120p.

Motor Components remained irregular. Lucas fell to 191p on further consideration of the disappointing interim statement but attracted late support to end a penny dearer on balance at 196p. Dunlop eased a penny to 73p, while Supra gave up 2 more to 46p. In contrast, Distributors usually finished higher. Hanger Investment rose 2 to 28½p following the return to profits and the dividend list, while British Car Auction, which announced increased first-half earnings earlier in the week, rose 1½ to 86½p. Support was also forthcoming for Lex Service, 5 up at 120p.

Interest among Publishing issues was again centred on Pearson Longman, which added 5 more to 315p to record a gain of 43 since last Tuesday's announcement that the company is involved in takeover talks with parent concern S. Pearson, a penny cheaper at 255p. Elsewhere, Bunzl Pulp continued to draw strength from a favourable mention and rose 4 more to 176p; the preliminary results are expected next Wednesday. Bemrose, 88p, encountered profit-taking and lost 5 of Thursday's gain of 13 which followed the full-year results, but Richard Clay, which announced annual results earlier in the week, firmed 5 to 48p. Eucalyptus Pulp added a few pence to 240p in response to the annual figures.

Certain Property issues bucked the quietly dull trend. Capital and Counties attracted new-time buying and put on 4 to a 1981-82 peak of 130p, while Fairview Estates hardened a couple of pence to 110p on further consideration of the interim results. Regalian also added 2, to a 1981-82 peak of 57p. On the bid front, Federated Land jumped to 151p before closing just a penny dearer on balance at 146p following the increased offer, currently worth 156p per share, from M. P. Kent, a penny cheaper at 68p. Estates and General Investments, the subject of an agreed bid from Federated Land, shed 4 to 65p.

Leading Oils firm

Good late on Thursday on rumours about an oil find in Prudhoe Bay, Alaska, denied yesterday by British Petroleum, leading Oils continued to attract support and closed at the day's best. British Petroleum and Shell gained 6 apiece to 302p and 378p respectively. Lasmo, following good preliminary results on Tuesday, stayed at 300p, but retained a gain on the week of 22. Elsewhere, Clyde Petroleum attracted support on revived takeover speculation and put on 7 to 92p. News that the company had established a $2.5m credit facility lifted Flair Resources 20 to 142p.

A mixed Press reaction to the annual results prompted an easier tone in Ocean Transport, 3 off at 120p. P&O Deferred, on the other hand, found further support and closed 2 up at 138p. Revived speculative demand lifted Celtic Haven 3½ to 33½p.

Textiles remained subdued and most held close to the overnight levels. Corah provided an exception, however, with a gain of 3 to 48p, but Irish concern Youghal Carpets fell 2 to 4p in late trading following the full-year loss and gloomy statement.

Golds subdued

Mining markets ended a volatile week on a quiet note, with the downturn in the bullion price being offset by the rise in the Financial Rand.

The Gold share market made a bright start to the week as the bullion price was lifted above the $330 level on rumours of a deal between the Soviet Union and European Central Banks, whereby the Banks would purchase a sizeable amount of Soviet gold at prices in excess of current levels.

Golds responded accordingly, but the upward trend proved short-lived when Wednesday's South African budget revealed an increase, from 5 to 15 per cent, in the surcharge on taxes of gold and diamond mines. Subsequent selling of Golds eroded most of the gains made earlier in the week.

Trading was minimal yesterday with most issues drifting back on light selling and lack of interest. The Gold Mines index dipped 3.3 to 237.4 leaving it 3 points higher over the week.

The bullion price fell $4 to $323 an ounce for a week's net gain of $6.5.

An otherwise quiet Australians sector was featured by North Kalgurli and Metals Exploration following the former's proposed 16-for-100 rights issue at 30 cents a share and the placing of the Fimiston mine on a care and maintenance basis.

North Kalgurli fell to a 1981-1982 low of 17p before rallying to close unchanged on balance at 19p, while Metals Exploration, which holds a 35 per cent interest in North Kalgurli, touched a 1981-82 low of 16p before closing a net penny down at 18p.

Business in Traded Options was evenly distributed between calls and puts which attracted 753 and 705 trades respectively. The week's daily average amounted to 1,585. Oil issues were to the fore and British Petroleum recorded 191 calls and 130 puts, while Shell Transport attracted 42 calls and 87 puts.

LEADERS AND LAGGARDS

Percentage changes since December 31, 1981, based on Thursday, March 25, 1982.

Other Consumer	+18.36	500-Share Index	+ 4.71
Tobaccos	+17.39	Food Manufacturing	+ 3.80
Stores	+15.11	All-Share Index	+ 3.48
Contracting, Construction	+14.99	Investment Trusts	+ 3.39
Insurance Brokers	+12.47	Insurance (Life)	+ 2.82
Health and H'sehold Products	+11.87	Capital Goods	+ 2.68
Packaging and Paper	+11.81	Motors	+ 2.26
Shipping and Transport	+11.61	Engineering Contractors	+ 2.19
Textiles	+10.98	Financial Group	+ 1.52
Chemicals	+10.72	Property	+ 1.34
Consumer Group	+10.66	Electricals	+ 1.21
Other Groups	+10.29	Other Industrial Materials	+ 0.52
Building Materials	+10.22	Mechanical Engineering	− 1.70
Food Retailing	+10.14	Metals and Metal Forming	− 2.78
Newspapers, Publishing	+ 0.87	Banks	− 3.91
Brewers and Distillers	+ 0.68	Discount Houses	− 4.21
Insurance (Composite)	+ 7.92	Overseas Traders	− 5.02
Industrial Group	+ 7.53	Merchant Banks	− 6.54
Leisure	+ 5.80	Oils	− 8.22
Office Equipment	+ 5.70	Mining Finance	−11.98
		Gold Mines Index	−21.72

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FIXED INTEREST

Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41
Other Consumer	30/12/80	238.14
Health/Household Prods.	30/12/77	261.77
Other Groups	31/12/74	63.75
Overseas Traders	31/12/74	100.00
Engineering Contractors	31/12/71	153.84
Mechanical Engineering	31/12/71	153.84
Office Equipment	16/1/70	128.20
Industrial Group	31/12/70	128.20
Other Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00
British Government	31/12/75	100.00
Debs. & Loans	31/12/77	100.00
Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.
CONSTITUENT CHANGE: Stone-Platt Industries has been deleted and replaced by Halma (Mechanical Engineering).
NAME CHANGES: Ransome Hoffmann Pollard is now RHP Group. United Carriers is now United Parcels.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 22	April 2	July 1	July 12
April 5	April 26	July 15	July 26
April 26	May 7	July 29	Aug 9

For rate indications see end of Share Information Service

Calls were arranged in Howard Tenens, First National Finance, Inter-City, New Throgmorton Warrants, Town and City Properties, Turner and Newall, Riley Leisure, North Kalgurli, Reliant Motor, L. Ryan, Sterling Credit, Dunlop, Impala Platinum, NCC, BSI, Queens Moat Houses and KCA International. A put was done in Lesney, while doubles were struck in ICI, Celtic Haven and Town and City Properties.

FINANCIAL TIMES STOCK INDICES

	Mar. 26	Mar. 25	Mar. 24	Mar. 23	Mar. 22	Mar. 19	A year ago
Government Secs	68.62	68.91	69.13	69.55	69.06	68.45	70.16
Fixed Interest	69.56	69.66	69.59	69.56	69.31	69.03	71.24
Industrial Ord.	557.7	559.9	562.6	564.3	558.1	562.7	521.3
Gold Mines	237.4	240.7	254.8	254.6	240.5	234.4	370.1
Ord. Div. Yield	5.63	5.61	5.58	5.57	5.62	5.59	6.20
Earnings, Yld. % (full)	11.25	10.73	10.68	10.65	10.75	10.62	12.30
P/E Ratio (net)	11.19	11.85	11.01	11.95	11.64	11.90	10.00
Total bargains	22,902	25,047	19,823	24,020	21,010	18,409	29,621
Equity turnover £m.	—	141.35	202.16	180.79	101.54	136.86	204.75
Equity bargains	—	20,162	20,606	21,246	16,624	14,750	27,752

10 am 558.4. 11 am 557.6. Noon 556.0. 1 pm 556.2. 2 pm 555.8. 3 pm 555.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.20.

† Correction.

HIGHS AND LOWS

	1981-8 High	1981-8 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	70.61 (20/5/81)	60.17 (28/10/81)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5/81)	61.61 (26/10/81)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4/81)	446.0 (14/1/81)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	423.0 (14/3/81)	202.2 (9/3/82)	558.0 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 25	Mar. 24
Daily Gilt Edged Bargains	188.5	203.4
Equities Bargains	130.6	133.5
Value	285.7	408.6
5-day Avrge. Gilt-Edged Bargains	205.4	203.0
Equities Bargains	121.0	115.6
Value	308.3	899.0

NEW HIGHS AND LOWS FOR 1981/2

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981-82.

NEW HIGHS (35)

BRITISH FUNDS (3)
Excher. 3pc 1984; Treas. 3pc 1987; Treas. 3pc 1985
COM'WEALTH & AFRICAN LOANS (1)
Aust. 5pc 1981-83
AMERICANS (2)
Abbott Labs.; Quaker Oats
BEERS (2)
Bulmer (H. P.); Burtonwood
BUILDING (2)
Higgs & Hill; Lovell (Y. J.)
CHEMICALS (1)
Halstead
STORES (1)
Stead & Simpson A
ELECTRICALS (3)
Cambridge Elec.; Security Centres; MK Electric
ENGINEERING (3)
Deanford; Newman-Tonks; Drake & Scull
INDUSTRIALS (6)
Beatson Clark; Metal Closures; Black (P.); Prestige; Inter-City; Wills (George)
INSURANCE (1)
Travelers
LEISURE (1)
Owners Abroad
NEWSPAPERS (2)
Collins (Wm.) A; Pearson Longman
PAPER (2)
Eucalyptus; Good Relations
PROPERTY (3)
Capital & Counties; Regalian; Cussins Prop.
SHOES (1)
Lambert Howarth
TEXTILES (1)
Corah

NEW LOWS (32)

FOREIGN BONDS (1)
Chinese 5pc '25 Bxr.
STORES (1)
Executex
ELECTRICALS (3)
Electronic Machine; Quest Auto.; Forward Tech.
ENGINEERING (1)
Brooke Tool
INDUSTRIALS (7)
Berwick Timpo; Rolfe & Nolan; Christie-Tyler; Stelux; Fitzwilton; Turner & Newall; Lesney
SHOES (1)
Stylo
TEXTILES (2)
Shaw Carpets; Youghal
OVERSEAS TRADERS (1)
Boustead
OIL & GAS (2)
Hamilton Oil; TR Energy
RUBBERS (1)
Grand Central
TEAS (1)
McLeod Russel 8.4pc Cnv.
MINES (11)
East Daggs.; Metals Exploration; Silvermines; Mid. East Mins.; Vogels.; North Kalgurli; Anglo Am. Inv; Geevor; De Beers Dfd.; Petaling; Timberland

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	7	69	17	203	206	56
Corpns., Dom and Foreign Bonds	3	12	60	83	42	244
Industrials	180	312	276	1,060	1,227	4,488
Financial and Props.	68	113	337	511	461	1,618
Oils	22	30	58	180	117	253
Plantations	—	10	14	18	22	80
Mines	26	63	73	232	223	361
Others	79	16	44	321	158	226
Totals	385	632	1,479	2,608	2,456	7,326

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
BICC	318	− 7	North Kalgurli	19	—
Cambridge Elect.	130	+ 6	Scotcros	90	− 8
Federated Land	146	+ 1	Sothebys	355	+30
Inter-City Investment	63	+ 7	Thorn EMI	420	− 7
Metal Box	160	−14	Unigate	92	− 4
Metals Exploration	18	− 1	Unitech	238	+18

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
De Beers Dfd.	27	220	−11	ICI	19	320	− 4
GEC	26	918	− 2	Inter City	19	56	+11
Lasmo	24	300	—	Racal Electronic	19	378	− 7
BP	22	296	+ 2	BAT Industries	19	405	− 4
Shell Transport	20	372	—	NatWest Bank	18	428	− 7
Beecham	10	232	− 3	Premier Cons.	18	42	—
BH Property	18	455	—	Turner & N'w'll	18	63	− 3

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thursday's closing price pence	Change on week	Stock	No. of price changes	Thursday's closing price pence	Change on week
Shell Transport	126	372	+18	Cns. Gold Flds.	98	390	+30
GEC	122	818	− 2	Tricentrol	90	194	+28
Lasmo	122	300	+35	BAT Industries	89	405	+ 2
BP	110	298	+16	BICC	89	325	− 5
De Beers Dfd.	107	225	+ 2	Racal Electronic	89	378	+ 5
Mks. & Spencer	100	153	+ 7	BH Property	65	455	+ 5
Ultramar	100	390	+45	Turner & N'w'll	64	63	−10

LONDON TRADED OPTIONS

Mar. 26 Total Contracts 1,459 Calls 753 Puts 705

FT UNIT TRUST INFORMATION SERVICE

INSURANCE BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Property Fund	225.6	[illegible]	....	—
Equity Fund	50.3	[illegible]	....	—
Property Acc.	263.4	[illegible]	....	—
Equity Acc.	48.2	[illegible]	....	—
Selective Fund	145.6	[illegible]	....	—
Money Fund	163.5	[illegible]	....	—
Convertible Fund	175.5	[illegible]	....	—
Prop. Fd. Ser. 4	208.0	[illegible]	....	—
Equity Ser. 4	53.9	[illegible]	....	—
Man. Ser. 4	195.7	206.1	+0.2	—
Money Ser. 4	148.4	[illegible]	....	—
Conv. Ser. 4	148.5	[illegible]	....	—
Fixed Int. Fd. Ser. 4	115.8	121.9	+0.3	—
American Ser. 4	110.3	116.2	+1.2	—
High Inc. Ser. 4	115.2	[illegible]	....	—
Pension Property	312.4	[illegible]	....	—
Pension Equity	274.3	[illegible]	....	—
Pension Selective	146.2	153.9	....	—
Pension Managed	286.4	301.5	+0.2	—
Pension Security	215.7	[illegible]	....	—
Pension Fixed Int.	111.4	[illegible]	+0.3	—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	315.3	331.9	−2.4	—
Fixed Int. Acc.	192.6	202.7	−0.5	—
Gtd. Money Fd. Ac.	153.5	161.5	....	—
Intl. Man. Fd. Acm.	142.4	149.9	−1.0	—
Intl. Fxd. Int. Fd.	106.7	112.2	−0.6	—
Prop. Fd. Acc.	157.8	166.1	+0.1	—
M'ple Inv. Acc.	246.2	259.1	−1.5	—
Equity Pen.Fd.Acc.	432.0	454.6	−4.0	—
Fixed I.Pen.Acc.	307.0	323.1	−1.2	—
G'td Mon.Pen.Acc.	210.3	221.3	+0.1	—
Intl.Mn.PnFdAcc.	164.1	172.7	−1.2	—
Prop.Pen.Acc.	207.0	217.9	....	—
M'ple Inv.Pen.Acc.	369.5	374.2	−2.6	—

AMEV Life Assurance Ltd.

Crown Life
Crown Life Hse., Woking GU21 1XW 04862 5033

Dist. Fd. Incm.	113.8	119.7	+0.1	10.40
Mang'd Fd. Acc.	153.0	161.0	−0.2	—
Mang'd Fd. Init.	136.1	[illegible]	−0.1	—
Mang'd. Fd. Incm.	127.3	[illegible]	−0.2	8.25
Property Fd. Acc.	130.3	[illegible]	....	—
Property Fd. Init.	116.1	[illegible]	+0.1	—
Property Fd. Incm.	104.1	[illegible]	....	7.10
Fixed Int. Fd. Acc.	136.2	[illegible]	....	—
Fixed Int. Fd. Incm.	103.5	[illegible]	−0.1	13.05
Equity Fd. Acc.	151.3	[illegible]	−0.5	—
Equity Fd. Init.	135.1	[illegible]	−0.5	—
Equity Fd. Incm.	131.4	[illegible]	−0.5	5.25
Inv. Tst. Fd. Acc.	157.4	[illegible]	−0.7	—
Inv. Tst. Fd. Init.	140.4	[illegible]	−0.6	—
Inv. Tst. Fd. Incm.	[illegible]	[illegible]	−0.6	2.55
Money Fd. Acc.	[illegible]	[illegible]	....	—
Money Fd. Incm.	[illegible]	101.7	+0.1	15.00
Inter'l. Fd. Acc.	[illegible]	[illegible]	+0.3	—
Inter'l. Fd. Incm.	[illegible]	[illegible]	+0.2	4.30
High Income Acc.	[illegible]	[illegible]	−0.4	—
High Income Inc.	[illegible]	[illegible]	−0.3	11.15
PE Coronet Fd.	[illegible]	[illegible]	....	—
Carr Sebag Inv. Fd.	[illegible]	[illegible]	....	—
Brewin Equity Fd.	[illegible]	[illegible]	....	—
Strategic Inv. Fd.	[illegible]	[illegible]	....	—
Beaufort Man. Fd.	[illegible]	[illegible]	....	—
St. George Mangd. Fd.	[illegible]	[illegible]	....	—
Lines & Gen.Fd.	[illegible]	[illegible]	....	—
Sage Fd.	[illegible]	[illegible]	....	—
Heritage Fd.	[illegible]	[illegible]	....	—
DBS Managed.	102.3	[illegible]	....	—
Crown. Brit. Inv. A.	212.3		....	—
Pens. Mixed. Fd.	143.9	[illegible]	....	—
Pens. Mang'd. Acc.	107.5	[illegible]	....	—
Pens. Mang'd. Init.	104.7	[illegible]	....	—
Pens. Equity Acc.	96.3	101.3	....	—
Pens. Equity Init.	95.7	[illegible]	....	—
Pens. Fxd. Int. Acc.	107.4	[illegible]	....	—
Pens. Fxd. Int. Init.	104.6	[illegible]	....	—
Pens. Money Acc.	105.5	[illegible]	....	—
Pens. Money Init.	102.8	[illegible]	....	—

Crusader Insurance PLC
Tower Hse, 38 Trinity Sq, EC3N4DJ 488 2323

Growth Prop. Mar 2	103.5	113.8	....	—
Managed Pens Mar 10	111.91	117.80	....	—

OFFSHORE & OVERSEAS FUNDS

Wardley Investment Services Ltd.,
4th Floor, Hutchison House, Hong Kong

Wardley Trust	HK$24.15	25.40	....	4.84
Wardley Nikko As. Fd.	US$35.09	36.45	....	2.74
Wardley Bond Trust	US$9.52	9.70	....	9.07
Wardley Japan Trust	US$14.21	14.87	....	1.48

World Wide Growth Management◊
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	US$11.24		−0.03	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	40.6	41.0	....	6.60
Chinese Fund	76.7	79.9	....	—
Precious Metal Fund	187.4	194.9	....	—
Vanguard Cmdy. Fd.	46.3	47.5	....	—
Financial Futures Fd.	107.5	111.9	....	—
Wren Intl. Fnd. *	US$0.956	0.996	....	—

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ⌀ Suspended. ◊ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
248	118	Jardine M. SHK6	146	−4	†Q88c	2.0	5.9	8.5
257	152	Johnson Clnrs.	194	−2	7.7	φ	5.8	φ
*300	186	Johnson Mthy. £1	253	−2	9.5	2.3	5.4	(9.3)
92	57	Jourdan (T.) 10p	72xd	......	5.25	φ	10.4	φ
81	37	Kalamazoo 10p	46	......	2.5	0.9	7.8	21.3
170	128	Kelsey Inds.	168	......	8.0	2.1	6.8	9.6
152	112	Kennedy Sm. 10p	143	......	†4.38	4.1	4.4	7.6
330	225	Kershaw (A.) 5p	275	......	21.75	0.5	11.3	(61)
75	41	Kleen-E-Ze Hldgs.	47	......	5.5	0.7	16.7	(13.7)
75	55	L.C.P. Hlds	60	−1	4.5	0.8	10.2	(18.3)
48½	37	L.R.C. Int. 10p	47	......	2.5	1.6	7.6	10.6
56	32½	Lawtex	40	−2	†1.5	—	‡	—
188	116	Lead Inds. 50p	178	+1	9.66	1.4	7.8	12.0
330	275	Lep Group 10p	315	......	16.5	2.1	7.5	7.3
28	12	Lesney Prods. 5p	12	−1	—	—	—	—
45	30	Lilleshall 10p	36	......	3.5	—	13.9	—
50	25	Lon. & Liv. 10p	44	−1	†1.7	3.3	5.5	6.3
120	89	London & Midl'd.	96	......	7.75	1.1	11.5	(11.0)
49½	29	Lon. & Nthn. Crp.	47½	+½	5.75	2.5	11.3	4.1
30	23	♦Lon. Priv. Health	29	−1	—	—	—	—
9¼	5½	Long Hmbly. 10p	6½	......	B—	—	—	—
68	36	Longton Inds.	43	......	1.0	—	3.3	—
47	28	Lonsdale Univrsl.	39	......	1.0	0.9	3.7	(47.8)
212	147	Low & Bonar 50p	181	−1	14.5	1.6	11.4	(7.1)
49	27	M.Y. Dart. 10p	29	......	2.9	1.8	14.3	(4.7)
168	102	M'c'rthy Ph. 20p	163	......	7.0	2.8	6.1	7.6
78	67	Macfarlane Gp.	76	......	5.7	1.9	7.0	9.4
39	15	Maclellan 20p	33	......	1.43	1.7	6.2	(11.7)
86	56	Macpherson (D.)	83	−2	4.2	1.5	7.2	12.1
60	50	Magnolia Group	58	......	2.1	4.5	5.2	4.6
205	95	Man. Ship Can. £1	95	......	—	—	—	—
51	32	Marley	45	−1	2.25	1.5	7.1	(12.8)
36	14¼	Marling Ind. 10p	35½	......	†0.94	3.0	3.8	(9.9)
48	21	Marshall L'xy. 'A'	44	+1	2.78	3.6	9.0	3.7
86	55	Marshall's Univ	85	......	0.1	—	0.2	—
37	12	Martin-Black	31	......	—	—	—	—
£165	£97	Mathesons 7¼pc.	£110	......	Q7¼%	2.5	†7.2	—
208	156	Maynards	182	......	9.38	2.7	7.5	(5.5)
224	128	Metal Box £1	160	−14	†10.71	1.0	9.6	(14.8)
130	70	Metal Closures	130	+3	5.7	φ	6.4	φ
25½	15	Metamec Jentique	18½xd	......	†1.3	0.1	‡	—
26	11	Mettoy	12	......	0.1	—	1.3	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHERS

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
650	75	Falcon Rh.50c	75	−5	Q25c	10.3	24.8
59	20	Wankie Col. Z$1	22	......	Q3c	1.2	10.2
32	16	Zam.Cpr.SBD0.24	17	......	—	—	—

Australian

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
41	10	ACM 20c	13	......	—	—	—
21	2½	Argosy Gold NL 25c	3	−½	—	—	—
229	70	Bond Corp.	75	+1	GQ10c	2.3	9.0
112	63	Bougainville I Kina	69	......	Q6½c	1.2	5.6
302	146	CRA 50c	148xd	......	Q5c	φ	2.1
25	9	Canada Northwest	9½	......	—	—	—
15	10	Carr Boyd 20c	12	−1	—	—	—
60	22	Central Pacific	35	−1	—	—	—
47	10	Cultus Pacific N.L.	10	......	—	—	—
68	14	Eagle Corp. 10c	18	......	—	—	—
40	14	Endeavour 20c	16	......	—	—	—
560	160	G. M. Kalgoorlie 25c	195	−5	Q32½c	0.9	10.5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Tins

Copper

Miscellaneous

NOTES

REGIONAL MARKETS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 24

FINANCIAL TIMES

Saturday March 27 1982

MAN IN THE NEWS

Not a cop to give up easily

BY BRENDAN KEENAN

IT IS APPROPRIATE that the appointment of Sir Kenneth Newman as Commissioner of the Metropolitan Police has been announced at a time when the last force he headed, the Royal Ulster Constabulary, is enjoying unprecedented successes. If today's RUC is the creation of any one man it is that of Sir Kenneth.

He broke a lot of new ground when he moved to Belfast as Deputy Chief Constable in 1973. The RUC had not previously been on the circuit of forces for senior officers on the way to the top.

Even then he was tipped as a future head of the "Met" as well as being favourite for RUC Chief Constable, a post he achieved in 1976. There was some surprise that he did not get the Metropolitan job last time but Sir Kenneth is not a man who gives up easily.

He is slight, reserved, with almost a scholarly air. He does not have what might be called the common touch, but the reserve conceals more than a hint of steel.

Ulster politicians and policemen speak of the speed and determination with which Sir Kenneth sorted out problems of performance or discipline in any of his stations. He also proved

Sir Kenneth Newman

himself a tough political fighter during one of the most difficult periods for the Northern Ireland security forces.

This involved attempts to restore RUC "primacy" in Northern Ireland. Sir Kenneth had first to resist Northern Ireland Office pressure to replace soldiers with policemen before he felt his force was ready. Later, when it was ready, he had to fight Army opposition to the downgrading of its role.

In the end, Sir Kenneth won both battles and there is no doubt today about who is in charge of Ulster security. It is the police.

Sir Kenneth restored the RUC role, not only with an increase in personnel and equipment, but with a complete overhaul of the entire structure of the force. Many say that this is what he is best at: policy and administration.

He introduced regional crime squads and supplemented the traditional activities of the Special Branch with a more scientific criminal intelligence unit. He increased the reaction-time of the force with the establishment of highly mobile and trained special patrol groups.

It can no longer be said that experience of Ulster conditions has no relevance to policing on the mainland. The RUC has had to become masters of "responsive policing"—going to where the trouble is and keeping it to a minimum. Clearly, there are now areas of London, and elsewhere, where the same lessons can come in useful.

It would be a lucky man who survived a period as RUC chief without some controversy and for Sir Kenneth it was the question of interrogation techniques at Castlereagh holding centre outside Belfast. Repeated allegations of ill treatment led eventually to public complaints, from official police doctors, and to the Bennett Report of 1979 which found evidence of ill treatment of suspects.

Right to the end Sir Kenneth defended the record of his men. It will probably never be known whether this was simply loyalty to his subordinates or whether he allowed the importance of getting results to cloud his judgment. Either way, it will have been another useful lesson which may yet stand him in good stead. After a week which saw the Home Secretary announcing plans to give the police new "stop and search" powers, sensitivity in the use of this enhanced authority will be even more important in Sir Kenneth's new job.

Chloride threatens legal action over lost BL deal

BY ARTHUR SMITH, MIDLAND CORRESPONDENT

BL CARS yesterday awarded Lucas the sole contract to supply 500,000 batteries a year to its volume car operation.

The decision brought immediate protest and a threat of legal action from Chloride, the other major UK vehicle battery producer, which had tendered for the work.

The contract had previously been split between the two companies. BL's decision to give all the work to Lucas is part of its new policy to cut costs by using, where possible, only one supplier for each component.

The contract was important to both companies. Lucas had warned senior managers that loss of the work would threaten the future of its Birmingham battery plant and its 1,300-strong work force.

BL said the two companies had submitted similar quotations for the contract. The main reason Lucas won the deal was its ability to provide a complete range of electrical systems. Lucas already supplies components such as starter motors, alternators, and lighting equipment.

Chloride said it believed the Lucas quotation was linked to a pricing policy covering a complete package of electrical equipment. The company felt it had lost the contract on this basis.

Chloride said: "If this is the case, it appears to us to be unfair competition, and we are seeking advice to decide whether we have any legal redress against Lucas."

Lucas was quick to answer Chloride's statement: "We refute absolutely the suggestion that we presented a complete commercial package covering both batteries and electrical equipment. Our bid for the business was based on batteries alone."

Lucas' success on the batteries contract has greater significance because of the advantage it will now have in trying to sell its engine management systems, where it has developed the use of micro-chip technology to control energy consumption.

Chloride said the loss of the BL contract would affect its battery plant at Dagenham which employs about 750 workers, but it was premature to forecast the employment consequences. The company was already exploring alternative opportunities.

Loss of the contract is thought to represent about 5 per cent of output from Chloride's Dagenham factory.

Sir Michael Edwardes, BL chairman, who was recruited from Chloride, played no part in the decision. Sir Michael is still non-executive deputy chairman of Chloride.

Lucas seeks European boost

BY ARTHUR SMITH

LUCAS Electrical is looking for financial backing from both the British and French governments for a joint project with Ducellier, its French associate company, to increase sales in Europe.

Lucas has told shop stewards at its loss-making starter motors factory, in Birmingham, that all 1,400 jobs are at risk because of low production runs. It has called for a 50 per cent improvement in productivity.

But the main hope for the plant's future would be a deal with Ducellier to increase the volume of output. Lucas holds a 50 per cent stake in the French company and has management control.

Lucas plans to introduce a range of lightweight starter motors which offer fuel economies. It sees Ducellier as a way to gain economies of scale.

In the face of serious international competition, particularly from Japan, the two companies have a number of joint studies for product design and manufacturing.

The advantage of a joint state motor project with Ducellier is the access it would give to the French market. French assemblers clearly prefer to buy locally. Car and commercial vehicle production in France last year totalled more than 3m units against less than 1.9m in the UK.

The project could qualify for financial assistance from both the British and French governments. Any aid could clearly be a factor in the balance of jobs created between the UK and France.

Lucas, faced by the erosion in recent years of the UK vehicle assembly industry, is looking at the full range of electrical components supplied to the automotive sector. The aim is to reduce dramatically the product range—probably by a factor of 10—and to seek European customers.

European car assemblers seem prepared to accept rationalisation and common components in pursuit of lower prices. Assemblers have indicated to components suppliers where they are prepared to continue buying from local sources, provided they can get within 20 per cent of Japanese prices.

Lucas has stressed its commitment to UK manufacture in talks with Birmingham union officials. The link with France is seen as a move to break into new markets and create volume production.

Union officials, while acknowledging the argument, remain suspicious. However, they see little alternative but to co-operate to save jobs.

BL and BSC try to end price row

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

INTENSIVE EFFORTS are being made by the British Steel Corporation and BL to settle a three-month dispute on prices in which BL has refused to pay steel price increases imposed earlier this year.

BL, a major customer of BSC, is continuing to pay BSC at 1981 prices, nearly three months after BSC made most of its products 10 to 15 per cent dearer. The result has been a substantial revenue loss for BSC: Austin Rover, the BL division which makes all cars except Jaguars, bought about £60m worth of steel from its fellow state-owned corporation last year.

Efforts to resolve the dispute have included meetings between Sir Michael Edwardes, chairman of BL, and Mr Ian MacGregor, chairman of BSC, as well as talks between the commercial management of the two state-owned bodies.

The Government is being kept informed of progress because any break in BSC's pricing structure might have implications for the European Commission's policy of securing higher prices throughout the EEC steel industry. This policy has the full support of the British Government.

Both BL and BSC have certain strengths in the stances they are taking. For as long as the European pricing structure is seen to be holding, however precariously, BL is unlikely to be able to obtain steel more cheaply from the Continent.

Unlike Ford, BL has traditionally bought British steel and does not deal with other suppliers.

BSC, on the other hand, is anxious not to provoke a long-term switch to another supplier by such an important customer. Six years ago, BL told a Commons select committee it was buying 369,000 tonnes of sheet steel and 84,000 tonnes of steel bar, and billet a year from BSC.

Although the quantities would be less today, BL remains a vital customer in the market for sheet steel in particular, which is critical to BSC's South Wales operations.

On January 3, BSC raised its basis prices of hot rolled coil by £19.50 to £193 a tonne, and cold reduced coil by £21 to £242 a tonne. Prices of some other steel products rose 15 per cent.

The Steel Consumers' Council says the new list prices are "largely being maintained" in spite of rumblings from various users. Mr MacGregor has said the return of BSC to profitability depended on the maintenance of such prices, which BSC describes as "fair."

Brezhnev overture rebuffed by China

By Tony Walker in Peking

CHINA YESTERDAY rebuffed the Soviet Union's attempts to thaw hostile relations between the two Communist states.

The Chinese Foreign Ministry, in a statement to foreign journalists, said China noted the remarks made by President Leonid Brezhnev of the Soviet Union, in Tashkent on Wednesday, but firmly rejected attacks on China contained in them.

The statement made is clear that China finds it difficult to accommodate Moscow's peace proposals while the two countries find themselves in disagreement on international issues.

"In Sino-Soviet relations and international affairs, what we attach importance to are the actual deeds of the Soviet Union," it said.

In his Tashkent speech Mr Brezhnev said the Soviet Union had never considered the hostility and estrangement between the two countries as normal.

China's rejection of the Soviet initiative has surprised diplomats who see it as indicative of Peking's determination to make it clear it has no intention of indulging in a crude game of international relations by playing Moscow off against Washington.

Moscow's peace initiative began in September when it suggested the two resume border negotiations. It coincided with a chill in Sino-U.S. relations over Washington's decision to continue selling arms to Taiwan.

Mr Brezhnev's Tashkent speech sought to play on this dispute when he reaffirmed Moscow's recognition of Chinese sovereignty over Taiwan.

"Despite the fact that we openly criticised and continue to criticise many aspects of the policy — especially the foreign policy—of the Chinese leadership as being at variance with Socialist principles and standards, we have never tried to interfere in the internal life of the People's Republic of China," Mr Brezhnev said.

U.S. interference in China's internal affairs by continuing arms sales to Taiwan is the charge Peking is levelling at Washington in the continuing dispute over Taiwan.

● Deng Xiaoping, Communist Party vice chairman, warned that China will take diplomatic action — meaning presumably that it is prepared to downgrade relations with the U.S.—if the disagreement over arms sales to Taiwan is not resolved satisfactorily.

Weather

UK TODAY

MAINLY dry and sunny. Fog patches near coastal areas.

N.E. England, E. Scotland
Mainly dry. Variable cloud. Warm. Max 13C (55F).

Isle of Man, Lake District, S.W. Cent. N. Scotland, Orkney, Shetland, N. Ireland
Cloudy. Sunny intervals. Drizzle in places. Max 10C (50F).

Rest of UK
Dry and sunny. Frost and fog early and late. Warm. Max 16C (61F).

Outlook: Colder with sunny intervals and showers.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	16	61	L. Ang.†	R	11	52
Algiers	C	15	59	Luxmbg.	S	14	57
Amsdm.	S	14	57	Luxor	S	23	73
Athens	F	10	50	Madrid	C	10	50
Bahrain	C	22	72	Majorca	R	9	48
Barcina.	S	14	57	Malaga	S	16	61
Beirut	S	14	57	Malta	S	15	59
Belfast	S	10	50	M'chstr.	S	14	57
Belgrd.	S	13	55	Melbne.		—	—
Berlin	S	13	55	Mx. C.†		—	—
Biarritz	S	15	59	Miami†	F	20	68
Bmghm.	S	15	59	Milan	S	15	59
Blackpl.	S	9	48	Montrl.†	R	3	37
Bordx.	S	15	59	Moscow	C	2	35
Boulgn.	S	14	57	Munich	S	13	55
Bristol	S	14	57	Nairobi	S	29	84
Brussels	S	13	55	Naples	S	15	59
Budpst.	S	15	59	Nassau		—	—
Cairo		—	—	Nwcstl.	S	14	57
Cardiff	S	14	57	N York†	Fg	7	45
Cas'b'ca	S	18	64	Nice	S	15	59
Cape T.	F	22	72	Nicosia	S	15	59
Chicg.†	C	−2	28	Oporto	S	17	63
Cologne	S	15	59	Oslo	S	10	50
Cpnhgn.	S	14	57	Paris	S	15	59
Corfu	F	13	55	Perth	S	20	68
Denver†	F	−1	30	Prague	S	13	55
Dublin	S	11	52	Reykjvk.	C	1	34
Dbrvnk.	S	13	55	Rhodes	S	13	55
Ednbgh.	S	13	55	Rio J'o†		—	—
Faro	S	—	—	Rome	S	15	59
Florence	S	17	63	Salzbrg.	S	14	57
Frankft.	S	14	57	S F'cisco†		—	—
Funchal	C	18	64	S. Moritz		—	—
Geneva	S	11	52	Singapr.		—	—
Gibraltar	S	14	57	S'tiago†		—	—
Glasgow	S	10	50	Stckhm.	S	10	50
G'rnsey	S	12	54	Strasbg.	S	14	57
Helsinki	S	11	52	Sydney		—	—
H. Kong	C	19	66	Tangier	S	16	61
Innsbrk.	F	12	54	Tel Aviv	R	11	52
Invrnss.	F	12	54	Tenerife	S	20	68
I.o.Man	S	9	48	Tokyo	S	11	52
Istanbul	S	9	48	T'ronto†	F	−1	30
Jersey	S	14	57	Tunis	C	16	61
Jo'burg	S	26	79	Valencia	C	10	50
L. Plms	S	20	68	Venice	S	15	59
Lisbon	S	15	59	Vienna	S	14	57
Locarno	S	12	53	Warsaw	C	7	45
London	S	14	57	Zurich	S	11	52

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny
† Noon GMT temperatures.

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Hillhead victory delights Jenkins

government would not have such autocratic powers vested in the hands of the Prime Minister as had been the case with recent governments.

But both parties had agreed it would be wrong to go into the next election leaving the identity of the Alliance prime minister in doubt or open to the vagaries of Alliance electoral arrangements.

Mr Steel said he would work with whichever leader was chosen. But he said of the Social Democrats: "I hope that they resolve that matter sooner rather than later."

He also urged that agreement be reached on the allocation of the remaining 200 parliamentary seats before the run up to local elections in May.

Mr Jenkins did not betray any fatigue despite the strains of Thursday night's poll and the celebrations which followed.

He was anxious to show the result was based on Social Democratic policy in the face of charges from the main parties that the SDP lacked a programme. He said he could not recall a campaign which had been based more on policy.

"Hillhead underlined our claim that the Alliance had a unique appeal across the classes, and across the occupations, an appeal which draws the nation together rather than tearing it apart."

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Sanctions

reported that when Nigerian production was running at about 1.5m b/d the six leading companies were involved in the following level of offtake: Shell —750,000 b/d; Gulf—300,000 b/d; Mobil—220,000 b/d; Agip —150,000 b/d; Elf—80,000 b/d; and Texaco—30,000 b/d.

Quentin Peels adds: Nigeria is facing heavy pressure on its foreign reserves because of the slump in oil production, with a trade deficit in recent months running at some $600m a month. The Central Bank has ordered a temporary halt to further import orders by stopping the processing of foreign exchange applications, pending a reassessment of foreign exchange commitments.

A senior director of the bank confirmed this week that foreign reserves fell to $2.6bn at the end of February, compared with more than $9bn a year ago.

Company cars Continued from Page 1

pected, it is to reduce the tax free allowances paid to British soldiers stationed in West Germany by between 10 and 27 per cent, phased over the next nine months.

A series of other impending tax changes in the Finance Bill, published yesterday, which sets out in detail the Government's fiscal proposals as announced in the Budget.

The Bill indicates some changes affecting the bed and breakfast facility for shares—an arrangement by which shares showing a loss on the purchase price are sold and bought back the next day, the resulting loss being used to offset a capital gain elsewhere. The proposed changes arise through the indexation of capital gains on assets after one year.

Bed and breakfasting could then be a disadvantage because the share would not be eligible for indexation until one year after the transaction.

Other changes disclosed in the Bill include alterations in tax administration, mainly to the advantage of the Inland Revenue even if tax inspectors, rather than tax payers, are at fault.

One advantage for taxpayers is a new facility allowing late applications for postponement of tax. But another clause suggests that people involved in lengthy but unsuccessful tax litigation might have to pay much higher interest bills on tax due.

A feature certain to arouse controversy as the bill proceeds through Parliament is a clause which would enable the Inland Revenue to regard money which it had overpaid by mistake as unearned income (even if the original amount assessed for tax was earned income).

It could then, in theory, levy the 15 per cent unearned income surcharge on the excess money it had paid out in error.

THE LEX COLUMN

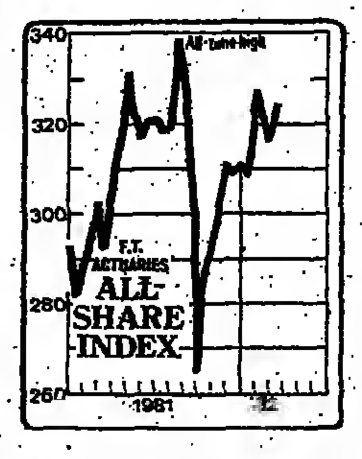
Jagged edges at Metal Box

Metal Box has been badly caught out by market trends twice in as many years. The onset of recession in the spring of 1980 left it with bullish forecasts hanging round its knees. Yesterday it admitted it had been over-optimistic about the extent of economic recovery and announced further closures. This second round of rationalisation is altogether more serious than the first, which was heavily biased to achieving lower manning levels. Whole factories are now being chopped out, in the kind of response to lower demand that some other companies were adopting a year ago.

The extent to which Metal Box has been caught out is underlined by its decision in November to increase its interim dividend, even though net debt was pushing above 50 per cent of equity and the payout was nowhere near covered by current cost earnings. Metal Box now expects extraordinary items to exceed last year's figure of £21m, and prospective pre-tax profits of less than £40m will be whittled down by the high tax charge on overseas profits. So there will almost certainly be an attributable loss for the year to March and even after a property revaluation the balance sheet will look stretched. With an eye on the likely direction of the final dividend, the shares fell 14p yesterday to 180p.

Even aggressively slimmed down engineering companies like Lucas and GKN are finding the going tough. And coming after Turner & Newall's sorry results, the Metal Box announcement further undermines expectations of substantial recovery in company profits and dividends on the back of lower costs.

Index fell 2.2 to 557.7



ACC

The Takeover Panel has found that Mr Robert Holmes à Court, having already been in the process of trying to take over ACC for nearly two months, ordered the Australian stockbrokers Potter Partners to make substantial purchases of ACC shares in the first week of March. These purchases were in clear breach of the most basic provisions of the Takeover Code—and the Panel might have added, but did not—Mr Holmes à Court, a lawyer by training, had many weeks to acquaint himself with the rules. There was a "culpable failure" to meet the requirements of the Code, and the breaches are said to be "deserving of censure." However, in saying this the Panel pulls its punches; the breaches "were not in any sense deliberately made."

The lesser participants in this affair, Potter Partners and its London market agent T. C. Coombs, are torn off a strip—the report talks of "indefensible" behaviour by Potter and some responsibility on the part of Coombs. But it is hard to avoid the impression that the principal gets off relatively lightly. It was open to the Panel to request that the relevant deals—which it says took place in a false market—should be reversed.

For a protracted period, Mr Holmes à Court failed to secure any financial advice. At one point Hambros was briefly acting for him, but he then appears to have failed to agree terms with a number of leading merchant bankers before he recently retained Bank of America International, which is little known in the London corporate finance field. The Panel now says that had any advisers been retained at the time, the breaches would no doubt have been avoided. It underlines the importance of securing professional advice in "what is always liable to become a complex situation." But on the basis of this judgment it is going to look very much to foreigners as though failure to hire London advisers could excuse breaches of the rules.

South Africa

Finance Ministers generally prefer to announce vote-catching news with a flourish and let the painful medicine seep out drop by drop. With the gold price still hovering dangerously close to $300, South Africa's finance minister has had little good cheer to distribute and this year's budget has made its appearance in two parts.

Taken together, they constitute a severe dose of added deflation for an economy already travelling towards zero growth. The first tranche, which was unveiled six weeks ago, highlighted the monetary strategy. Official controls over lending were relaxed, allowing prime rates to drift up to 20 per cent and a 10 per cent surcharge was slapped on imports.

This week, the boot was on the fiscal foot. Senator Horwood increased the tax burden on both the private and corporate sector, but his most stringent measure was a sharp reduction in the real level of government spending. The 11.5 per cent increase is the smallest for several years and is pitched against an inflation rate running at around 14 per cent. It should hold the net budget deficit to R2.38bn, less than 3 per cent of GDP.

The collapse in the price of gold, and other major commodities, has greatly restricted the government's options. Revenue from gold mines is expected to yield only R900m in the current year, a quarter of the tax received in the peak year of 1980-81.

This has apparently been calculated on conservative assumptions, probably on a gold price of just under $300, and there seems a reasonable chance of hitting the target.

For the corporate sector, the budget will mean an even more dramatic downturn in earnings this year. The increase in corporation taxes alone leaves industrial companies needing a 7 per cent increase at the pretax level in order to maintain net earnings. Gold and diamond mines, already struggling, are hit by an additional 10 per cent tax surcharge.

The downturn in the South African economy began to bite only towards the end of last year and will be measured by the performance of companies with March year ends. But the stock market has already discounted a steep fall in earnings after three bountiful years. The Johannesburg industrial index has fallen roughly 20 per cent from its January peak and the Gold Mines index is down by twice that. The fall has left the market on a very tempting yield base but, as De Beers demonstrated earlier this month, South African dividends are by no means inviolate.